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8 ATTORNEYS FOR PLAINTIFFS,
9 NANCY WU, SHI HWA YUAN,
10 ARLENE CHANG, AND FANG FANG HO

11 **UNITED STATES DISTRICT COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA**

13 NANCY WU, an individual; SHI HWA
14 YUAN, an individual; ARLENE
15 CHANG, an individual; FANG FANG
16 HO, an individual; individually and on
17 behalf of all others similarly situated,

18 Plaintiffs,

19 vs.

20 JEUNESSE, LLC, a Florida Limited
21 Liability Company; JEUNESSE
22 GLOBAL, a Florida Company form
23 unknown; JEUNESSE, INC. a Florida
24 Corporation; FUEL FREEDOM
25 INTERNATIONAL; a business entity
26 form unknown; US GLOBAL SYSTEM,
27 a business entity form unknown; KIM
28 HUI, an individual; RANDY RAY also
known as OGALE ERANDAL RAY, also
known as RANDY RAY LEWIS, an
individual; WENDY R. LEWIS, an
individual; SCOTT A. LEWIS, an
individual; MAY CHANG also known as
MEI YUE CHANG also known as MEI
YUEH CHANG, an individual;

Case No. 2:17-cv-7475

CLASS ACTION COMPLAINT

1. Fraud & Deceit;
2. Fraudulent Concealment;
3. Violation of Federal Racketeer Influenced and Corrupt Organizations ("RICO") Sections of Title IX of the Organized Crime Control Act of 1970 18 U. S. C. §§ 1961-1968;
4. Violation of Foreign Corrupt Practices Act of 1977 (FCPA) 15 U.S.C. § 78dd-1, et seq.;
5. Violation of California's False Advertising Law (California Business and Professions Code § 17500);
6. Violation of California's Endless Chain Scheme Law (California's Penal Code § 327 and California Civil Code § 1689.2);
7. Breach of an Implied Covenant of Good Faith and Fair Dealing;

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YVONNE YEN also known as YI-WEN YEN, an individual; SAMSON LI, an individual; LISA WANG, an individual; and DOES 1 through 100, inclusive,

Defendants.

- 8. Negligent Misrepresentation;
- 9. Civil Conspiracy;
- 10. Violation of California’s Unfair Business Practices (California Business & Professions Code Sections 17200, et seq.;
- 11. Unjust Enrichment; and
- 12. Declaratory Relief

DEMAND FOR JURY TRIAL

CLASS AND COLLECTIVE ACTION COMPLAINT

AND NOW come plaintiffs NANCY WU, SHI HWA YUAN (“YUAN”), ARLENE CHANG, and FANG FANG HO, (collectively “Plaintiffs” or “Named Plaintiffs”), on behalf of themselves and all others similarly situated (“Class Members” and “Sub-class Members”) and allege as follows:

NATURE OF ACTION

1. This is a proceeding for declaratory relief and monetary damages to redress the deprivation of rights secured to Plaintiffs and all other former and current distributors and recruiters of Defendants JEUNESSE, LLC, JEUNESSE, INC. , JEUNESSE GLOBAL, FUEL FREEDOM INTERNATIONAL (“FFI”) (collectively “JEUNESSE”), US GLOBAL SYSTEM (“USGS”) KIM HUI, RANDY RAY also known as OGALE ERANDALL RAY, also known as RANDY RAY LEWIS, WENDY R. LEWIS, SCOTT A. LEWIS, MAY CHANG also known as MEI YUE CHANG also known as MEI YUEH CHANG, YVONNE YEN also known as YI-WEN YEN, SAMSON LI, LISA WANG, and DOES 1 through 100, inclusive by Defendants’ violation of Federal and California state laws.

2. Named Plaintiffs sue for themselves and for all persons who were JEUNESSE distributors and recruiters from April 2009 until the present under

1 California’s Endless Chain Scheme Law (California Civil Code § 1689.2),
2 California’s Unfair Competition Law (Business and Professions Code § 17200 et
3 seq. “UCL”), false and misleading income claims, False Advertising Law (Business
4 and Professions Code § 17500), Foreign Corrupt Practices Act of 1977 (FCPA) 15
5 U.S.C. § 78dd-1, et seq., and Racketeer Influenced and Corrupt Organizations Act
6 (“RICO”), 18 U.S.C. § 1961 et seq. against all defendants for the operation and
7 promotion of an inherently fraudulent pyramid scheme.

8 3. In connection with the acts and conducts alleged in this complaint
9 (“Complaint”), Defendants, and each of them, and collectively as an organization,
10 directly and/or indirectly, utilize the mail, the wires, the internet, and the
11 instrumentalities of interstate commerce in carrying out the pyramid scheme, and
12 unlawful and fraudulent trade practices, which are subject of this action.

13 4. As a consequence of Defendants’ unlawful conduct, named Plaintiffs
14 and all others similarly situated (“Class Members” and Sub-class Members) have
15 been prevented from their entitlements, have been deceived, and have suffered
16 damages.

17 5. As a proximate and direct result of Defendants’ aforementioned
18 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
19 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
20 billion dollars).

21 **JURISDICTION AND VENUE**

22 6. The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1331,
23 28 U.S.C. § 1343 (3) and (4) conferring original jurisdiction upon this Court of any
24 civil action to recover damages or to secure equitable relief under any Act of
25 Congress providing for the protection of civil rights; under 28 U.S.C. § 1337
26 conferring jurisdiction of any civil action arising under any Act of Congress
27 regulating interstate commerce; and under 29 U.S.C. § 216(b) conferring
28 jurisdiction of any civil action arising under the RICO and FCPA.

1 7. This Court’s pendent jurisdiction for claims arising under applicable
2 state law is also invoked. Defendants hold themselves out and market to this
3 jurisdiction, and they conduct significant transactions in this jurisdiction.
4 Supplemental jurisdiction exists over the RICO, FCPA, California’s endless Chain
5 Scheme Law, California UCL, and California False Advertising Law.

6 8. Venue is appropriate in this District since Defendants conducted
7 business in this District, and Named Plaintiffs conducted business with Defendants
8 in this District and a substantial part of the events or omissions giving rise to
9 Plaintiffs’ claims occurred here, a substantial part of the property that is the subject
10 of this action is situated here, and Defendants are subject to personal jurisdiction, in
11 this District.

12 9. The Arbitration Provision in JEUNESSE’s Policy and Procedures is
13 procedurally and substantively unconscionable and unenforceable.

14 10. JEUNESSE has a designated agent for service of process in the State
15 of California and the place of business here and has committed tortuous acts in
16 California, the United State, and globally.

17 **COLLECTIVE AND CLASS ACTION ALLEGATIONS**

18 11. Plaintiffs re-allege and incorporate by reference herein all allegations
19 previously made in Paragraphs 1 through 10, above.

20 12. This is a class action complaint against Defendants to challenge their
21 policies and practices of multi-level-marketing (“MLM”) with a method of selling
22 and distributing goods and services, and recruiting new distributors through
23 network of people in the United States and worldwide.

24 13. Named Plaintiffs bring their RICO, FCPA, California’s endless Chain
25 Scheme Law, California UCL, and California False Advertising Law claims as a
26 collective action under 29 U.S.C. § 216(b), and their California, and other state law
27 claims as a class action under Federal Rule of Civil Procedure 23.

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14. Plaintiffs declare that Defendants, their family members, and any Diamond Distributor of JEUNESSE, Diamond Directors of JEUNESSE, and any and all others obtained ownership interest of JEUNESSE are excluded from the class.

15. Additionally, named Plaintiffs seek to represent a subclass of individuals who were deceived or forced to pay for materials and events produced by USGS and a subclass of individuals who work for USGS without compensation.

16. Moreover, named Plaintiffs seek to represent a subclass of individuals who signed up with JEUNESSE under a pre-September 2015 Representation of Compensation under the Income Disclosures (“Pre-September 2015 Compensation Subclass”). This subclass are all persons who were JEUNESSE distributors and recruiters in the United States from April 2009 to September 2015 and who received a Pre-September 2015 Compensation Subclass.

17. Named Plaintiffs also seek to represent a sub-class in the United States, defined as follows: “All persons who were JEUNESSE distributors for the purpose of distributing JEUNESSE’s goods and services in the United States and working as recruiters in the United States and globally for JEUNESSE for the purposes of recruiting more recruiters from April 2009 until the present.”

18. Named Plaintiffs declare that Defendants, their family members, and any Diamond Distributor of JEUNESSE, Diamond Directors of JEUNESSE, an any and all others obtained ownership interest of JEUNESSE are excluded from the class.

19. Additionally, Named Plaintiffs seek to represent a subclass of individuals who deceived or forced to pay for materials and events produced by USGS and JEUNESSE (“Pay for Materials and Events Fees to USGS Subclass”).

20. Named Plaintiffs also seek to represent a subclass of individuals who

1 deceived or forced to pay fees similar to “Union Dues” to USGS and JEUNESSE
2 (“Pay for Union Dues Subclass”).

3 21. Also, Named Plaintiffs seek to represent a subclass of individuals who
4 work for USGS without compensation (“Work for USGS Without Compensation
5 Subclass”).

6 22. Furthermore, Named Plaintiffs seek to represent a subclass of
7 individuals who paid “Packaging and Handling” and/or Shipping charges (the
8 “Packaging & Handling Subclass”) defined as follows: “All persons who were
9 JEUNESSE distributors in the United States from April 2009 to October 5, 2017
10 and who paid ‘Packaging and Handling’ and Shipping charges before October 5,
11 2017.”

12 23. The state law claims are properly maintainable as a class action under
13 Federal Rule of Civil Procedure 23.

14 24. The class action is maintainable under subsections (1), (2), (3) and (4)
15 of Rule 23(a).

16 25. The class size is believed to be over 100 distributors and recruiters.
17 While the exact number of members in the Class and Subclasses are unknown to
18 Named Plaintiffs at this time and can only be determined by appropriate discovery,
19 membership in the class and subclasses is ascertainable based upon the records
20 maintained by Defendants. It is estimated that the members of the Class are greater
21 than five hundred thousand (500,000) and each subclass easily number in the
22 hundreds of thousands.

23 26. Therefore, the Class and Subclasses are so numerous that any attempts
24 to file individual joinder of all Class and Subclass members are impracticable under
25 Fed. R. Civ. P. 23(a)(I).

26 27. Additionally, Named Plaintiffs seek to pursue a private attorney
27 general action (“PAGA”) for injunctive relief for themselves and all members of the
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1 class who agreed to a choice of law, and they satisfy the standing and class action
2 requirements.

3 28. Common questions of law and fact exist amongst the class and subclass.
4 There are questions of law and/or fact common to the class and subclasses,
5 including but not limited to:

- 6 a. Whether JEUNESSE is operating an endless chain;
- 7 b. Whether JEUNESSE is operating with unlawful income claims;
- 8 c. Whether JEUNESSE's operation and sustainability are based on
9 recruiting new recruiters, but not based on goods sold;
- 10 d. Whether JEUNESSE's rules apply to California Penal Code § 327
11 claims;
- 12 e. Whether JEUNESSE's rules apply to California Civil Code § 1689.2
13 claims;
- 14 f. Whether Defendants omitted to inform the Plaintiffs and class
15 members that they were entering into a pyramid scheme;
- 16 g. Whether Defendants omitted to inform the Plaintiffs and class
17 members that Defendants were promoting a business opportunity that did not exist
18 except for a select few;
- 19 h. Whether Defendants omitted to inform the Plaintiffs and class
20 members that they were entering into an endless chain;
- 21 i. Whether Defendants omitted to inform the Plaintiffs and class
22 members that a majority of distributors and recruiters lose money;
- 23 j. Whether Defendants' income claims during the Class Period were
24 deceptive and misleading;
- 25 k. Whether Defendants' medical claims related to JEUNESSE's during
26 the Class Period were deceptive and misleading;
- 27 l. Whether JEUNESSE's statements of compensation during the Class
28 Period were deceptive and misleading;

1 m. Whether Plaintiffs and class member paid Packaging and Handling
2 charges to JEUNESSE were inflated;

3 n. Whether Plaintiffs and class member paid Shipping charges to
4 JEUNESSE were inflated;

5 o. Whether JEUNESSE's Income Disclosures during the Class Period
6 were deceptive and misleading;

7 p. Whether JEUNESSE's conduct constitutes an unlawful, unfair and/or
8 deceptive trade practice under California state law;

9 q. Whether JEUNESSE's conduct constitutes unfair competition under
10 California state law;

11 r. Whether JEUNESSE's conduct constitutes false advertising under
12 California state law;

13 s. Whether JEUNESSE's conduct constitutes violation of California's
14 Endless Chain Scheme Law (California's Civil Code § 1689.2);

15 t. Whether Defendants' business practice and operation are fraudulent
16 and deceitful;

17 u. Whether Defendants' conduct constitutes violation of California's
18 Unfair Competition Law (Business and Professions Code § 17200 et seq. "UCL");

19 v. Whether Defendants' conduct constitutes violation of False
20 Advertising Law (Business and Professions Code § 17500);

21 w. Whether Defendants' conduct constitutes violation of Foreign Corrupt
22 Practices Act of 1977 (FCPA) 15 U.S.C. § 78dd-1, et seq.

23 x. Whether Defendants' conduct constitutes violation of Racketeer
24 Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 et seq.

25 y. Whether Defendants' Unjustly enriched by the result of their
26 misconduct;

27 and

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1 z. Whether the Arbitration Provision in JEUNESSE’s Policy and Procedures
2 is procedurally and substantively unconscionable and unenforceable.

3 29. The Named Plaintiffs bring the fifth, sixth, and tenth claims (causes of
4 action) under the False Advertising Law (Business and Professions Code § 17500),
5 California’s Endless Chain Scheme Law California, and Business & Professions
6 Code Section 17200 (“UCL”) for Defendants’ violations of California’s laws on
7 behalf of the following proposed class, the members of which have all been
8 damaged by Defendants’ above-described conduct. Named Plaintiffs allege that
9 Defendants have engaged in unlawful patterns and practices of failing to meet the
10 requirements of the California Business and Professions Code, Endless Chain
11 Scheme Law, and False Advertising Law.

12 30. The proposed Class Members are brought, and may properly be
13 maintained, as class actions under Fed. R. Civ. P. 23(a), (b)(2), and (b)(3) and/or as
14 a representative action pursuant to the UCL, which must comply with the same
15 class action certification requirements as Fed. R. Civ. P. 23(a), (b)(2), and (b)(3).

16 31. Pursuant to those requirements, the Class Members are so numerous
17 that joinder of all members is impracticable. Common questions of law and fact
18 exist as to all members of the class that predominate over any questions affecting
19 individual members that whether Defendants violated Defendants have engaged in
20 unlawful patterns and practices of failing to meet the requirements of the California
21 laws, and the proper measure of damages sustained by Class Members and the
22 restitution owed to them.

23 32. Named Plaintiffs, like other Class Members, were subjected to
24 Defendants’ policy and practice under California law and Federal law. Named
25 Plaintiffs’ damages are also typical of other members of the class.

26 33. There are no known conflicts of interest between the named Plaintiffs
27 and the other class members.

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1 34. Named Plaintiffs will adequately represent the interests of the Class
2 Members because they are similarly situated to the Class Members and their claims
3 are typical of, and concurrent to, the claims of the other class members.

4 35. Moreover, the named Plaintiffs will fairly and adequately represent and
5 protect the interests of the putative members of the Class Members because they
6 have no disabling conflict(s) of interest that would be antagonistic to those of the
7 other Class Members.

8 36. Common questions of law and fact predominate in this action because
9 the claims of all Class Members were distributors for Defendant JEUNESSE and
10 lost money because of the illegal scheme, each received false financial disclosures,
11 each received illegal income claims, each received false medical claims.

12 37. Named Plaintiffs will fairly and adequately represent the interests of
13 the subclasses.

14 38. Named Plaintiffs' interest is also fully aligned with those of sub-
15 classes. And Named Plaintiffs have retained counsels who are competent and
16 experienced in class action litigation.

17 39. Named Plaintiffs know of no difficulty likely to be encountered in the
18 management that would preclude its maintenance as a class action

19 40. Applying generally to the class in that it has common policies and
20 practices of unlawful patterns and practices of failing to meet the requirements of
21 the California and Federal laws, and the proper measure of damages sustained by
22 Class Members and the restitution owed to them.

23 41. Accordingly, injunctive and declaratory relief is appropriate for the
24 Class as a whole.

25 42. Class treatment is superior to alternative methods to adjudicate this
26 dispute because named Plaintiffs and all Class Members suffered similar treatment
27 and harm as a result of systematic policies and practices, and because absent a class
28 action, Defendants' unlawful conduct will likely continue un-remedied and

1 unabated given that the damages suffered by each of the individual class members
2 would be difficult compared to the expense and burden of individual litigation.

3 **THE PARTIES**

4 **A. Named Plaintiffs and Class Members**

5 43. Named plaintiff NANCY WU is a resident of Los Angeles County, and
6 is a distributor and recruiter for Defendants in California. NANCY WU became a
7 JEUNESSE distributor and recruiter in on August 13, 2014.

8 44. Named plaintiff SHI HWA YUAN is a resident of Los Angeles County,
9 and is a distributor and recruiter for Defendants in California. SHI HWA YUAN
10 became a JEUNESSE distributor and recruiter in July 16, 2011.

11 45. Named plaintiff ARLENE CHANG is a resident of Los Angeles
12 County, and is a distributor and recruiter for Defendants in California. ARLENE
13 CHANG became a JEUNESSE distributor and recruiter in February 2011.

14 46. Named plaintiff FANG FANG HO is a resident of Los Angeles County,
15 and was a distributor and recruiter for Defendants in California. FANG FANG HO
16 became a JEUNESSE distributor in April 2014.

17 47. The Class Members are also those employees of Defendants who are
18 similarly situated, as defined above, and who suffered damages caused by
19 Defendants.

20 **B. Defendants**

21 48. Defendant JEUNESSE, LLC, is a Florida limited liability company,
22 with its principal place of business located at 650 Douglas Avenue, Suite 1010,
23 Altamonte Springs, Florida 32714.

24 49. Defendant JEUNESSE GLOBAL is a Florida company, form
25 unknown, with its principal place of business located at 650 Douglas Avenue, Suite
26 1010, Altamonte Springs, Florida 32714.

27 50. Defendant JEUNESSE, INC. is a Florida corporation, with its principal
28 place of business located at 650 Douglas Avenue, Suite 1010, Altamonte Springs,

1 Florida 32714.

2 51. Defendant FUEL FREEDOM INTERNATIONAL, LLC (“FFI”) is
3 based in Altamonte Springs, Florida and is co-owned by RANDY RAY and
4 WENDY R. LEWIS.

5 52. Defendant US GLOBAL SYSTEM is a California business entity,
6 form unknown. USGS is a company operating under the label of JEUNESSE.

7 53. Defendant KIM HUI is a resident of California and a Triple Diamond
8 distributor, a Triple Diamond Director and a “Presidential Diamond Director” in
9 JEUNESSE.

10 54. Defendant RANDY RAY also known as OGALE ERANDALL RAY,
11 also known as RANDY RAY LEWIS (“RANDY RAY”) is a Florida resident and is
12 a manager/officer for JEUNESSE, and co-founder of JEUNESSE.

13 55. Defendant WENDY R. LEWIS (“WENDY LEWIS”) is a Florida
14 resident and is a manager/officer for JEUNESSE, and co-founder of JEUNESSE.

15 56. Defendant SCOTT A. LEWIS (“SCOTT LEWIS”) is a Florida resident
16 and is the Chief Visionary Officer for JEUNESSE. He has also serves a Vice
17 President of Operations.

18 57. Defendant MAY CHANG also known as MEI YUE CHANG also
19 known as MEI YUEH CHANG (“MAY CHANG”), is a resident of California, a
20 Diamond distributor and a Diamond Director in JEUNESSE.

21 58. Defendant YVONNE YEN also known as YI-WEN YENG
22 (“YVONNE YEN”) is a resident of California, a Double Diamond distributor and a
23 Double Diamond Director in JEUNESSE.

24 59. Defendant SAMSON LI is a resident of California, a Double Diamond
25 distributor and a Double Diamond Director in JEUNESSE.

26 60. Defendant LISA WANG (“LISA WANG”) is a resident of California,
27 a Diamond distributor and a Diamond Director in JEUNESSE.
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1 61. Defendants collectively are an organization engaged in interstate
2 commerce whose annual gross volume of sales is not less than \$1,000,000,000.00
3 (one billion dollars).

4 62. At all times relevant hereto, Defendants, and each of them, were the
5 agents, employees, managing agents, supervisors, co-conspirators, parent
6 corporation, joint employers, alter ego, and/or joint ventures of the other
7 Defendants, and each of them, and in doing the things alleged herein, were acting at
8 least in part within the course and scope of said agency, employment, conspiracy,
9 joint employer, alter ego status, and/or joint venture and with the permission and
10 consent of each of the other Defendants.

11 63. Named Plaintiffs are presently unaware of the true identities and
12 capacities of fictitiously named Defendants designated as DOES 1 through 100, but
13 will amend this complaint or any subsequent pleading when their identities and
14 capacities have been ascertained according to proof. On information and belief,
15 each and every DOE defendant is in some manner responsible for the acts and
16 conduct of their Defendants herein, and each DOE was, and is, responsible for the
17 injuries, damages, and harm incurred by Plaintiffs. Each reference in this complaint
18 to “defendant,” “defendants,” or a specifically named defendant, refers also to all of
19 the named defendants and those unknown parties sued under fictitious names.

20 64. Named Plaintiffs allege that Defendants JEUNESSE, LLC,
21 JEUNESSE, INC. FUEL FREEDOM INTERNATIONAL, US GLOBAL SYSTEM
22 are corporations, in essence, incorporated or operated by Defendants KIM HUI,
23 RANDY RAY, WENDY LEWIS, as their alter ego, primarily to circumvent
24 statutes, laws, and government regulations, to accomplish wrongful business
25 practice, to defraud government, and to take advantages of other individuals and
26 entities.

27 65. Named Plaintiffs allege that, at all times herein mentioned, the
28 individual Defendants sued herein:

1 a. held, and do now hold, substantial, if not all, interest in said
2 corporate Defendants;

3 b. dominated, controlled, and influenced, and does now dominate,
4 control, and influence, said corporate Defendants, their officers, their
5 businesses and their properties;

6 c. used said corporate Defendants, since their incorporation to
7 present, as a mere shell and naked framework and conduit for conducting
8 their personal business and/or property affairs, and/or as obligor for the
9 assumption of obligations and/or liabilities incapable of performance by
10 the corporate Defendant, which are in fact the personal obligations and
11 liabilities of said individual Defendant;

12 d. created the corporate Defendants pursuant to a scheme, plan and
13 design conceived by said individual Defendant to perpetuate fraudulent
14 acts whereby the corporate Defendants' income, revenue and profits
15 would eventually be funneled to, and converted by, said individual
16 Defendant; and

17 e. have such a unity of interest and control between themselves and
18 the corporate Defendants such that the individuality and separateness of
19 said corporate Defendants and of said individual Defendant have ceased.
20 Adherence to the fiction of the separate existence of said corporate
21 defendants would improperly sanction inequity and promote injustice.

22 **GENERAL ALLEGATIONS**

23 66. Named Plaintiffs allege that, Defendants have been engaged in
24 continuous and systematic illegal MLM business in California, United States, and
25 globally by and through several business entities, namely JEUNESSE, LLC,
26 JEUNESSE, INC. JEUNESSE GLOBAL, FUEL FREEDOM INTERNATIONAL,
27 US GLOBAL SYSTEM.

28 67. Named Plaintiffs allege that, Defendants, MAY CHANG, YVONNE

1 YEN, SAMSON LI, LISA WANG, KIM HUI, RANDY RAY, WENDY LEWIS,
2 and SCOTT LEWIS, along with unnamed Diamond Distributors and Directors,
3 were part of leadership team that participated with JEUNESSE and USGS, and
4 made decisions regarding products, services, marketing strategy, compensation
5 plans, incentives, income claims, medical claims, recruit seminars, and other
6 matters.

7 68. Named Plaintiffs allege that Defendants are running an illegal pyramid
8 scheme because only those who get in first, at the top of the pyramid structure, with
9 backroom deal, and/or with special privilege, can make money and everyone else is
10 destined to lose.

11 69. Named Plaintiffs allege that Defendants omitted to inform the
12 Plaintiffs and all Class Members that Defendants were promoting a business
13 opportunity that did not exist except for a select few get in first, at the top of the
14 pyramid structure, with backroom deal, and/or with special privilege.

15 70. Named Plaintiffs further allege that, each of the Defendants named
16 herein acted as co-conspirator, single enterprise, joint venture, co-conspirator, or
17 alter ego of, or for, the other Defendants with respect to the acts, omissions,
18 violations, representations, and common course of conduct alleged herein, and
19 ratified said conduct, aided and abetted, or is other liable.

20 71. Defendants have agreements with each other, and other unnamed
21 Diamond director co-conspirators and have reached agreements to market and
22 promote JEUNESSE's MLM business model with pyramid structure and endless
23 chain as alleged herein.

24 72. Defendants, along with unnamed Diamond Directors, and all co-
25 conspirators, were part of the leadership team that participated with JEUNESSE,
26 and made decisions regarding: products, services, marketing strategy, compensation
27 plans, (both public and secret), incentives, income claims, medical claims, and other
28 matters. In addition, Defendants and unnamed co-conspirators were directly and

1 actively involved in decisions to develop, create, and promote the distributor
2 agreements and compensation plans for JEUNESSE.

3 73. Defendant JEUNESSE was founded in 2009.

4 74. Since its inception in 2009, JEUNESSE's sales have doubled every
5 year. JEUNESSE claims that it has over five hundred thousand (500,000)
6 distributors with global sales of more than \$1,000,000,000.00 (one billion dollars).

7 75. JEUNESSE provides a catalogue of alleged "youth enhancing" skin
8 care products and advanced "fountain of youth" dietary supplements to customers.

9 76. JEUNESSE claims to be using an "advanced interactive e-commerce
10 model" for its distributors to run an online shopping business.

11 77. The so-called "advanced interactive e-commerce model" is actually
12 multi-level payment schedule paid to JEUNESSE through the multi-level
13 distributorship.

14 78. Simply put, the multi-level distributors of JEUNESSE are the actual
15 consumer/end-users, who must recruit others to enter as lower level distributors.

16 79. However, the more distributors who join JEUNESSE's MLM
17 operation, the greater the consumer/end-user groups become, and the bigger the
18 pyramid scheme becomes.

19 80. JEUNESSE's method of MLM operation constitutes a pyramid scheme.

20 81. The following facts support the pyramid scheme allegations:

21 a. JEUNESSE marketing plan favored recruitment over product
22 sales. In a video published online, Defendant KIM HUI, one of the top
23 and senior distributors, Triple Diamond and Presidential Diamond
24 Directors in JEUNESSE, claims that her success is all about recruitment,
25 but not from selling product;

26 b. JEUNESSE's distributors and recruiters must invest money for
27 their entitlement to recruit new distributors and recruiters;

28

1 c. JEUNESSE's distributors and recruiters get their investment
2 back by recruiting new distributors and recruiters;

3 d. JEUNESSE's instructions to its distributors and recruiters, at
4 all times, has been centered around recruitment, recruitment, and
5 recruitment;

6 e. JEUNESSE's distributors and recruiters are the actual
7 customers and ultimate users of its products;

8 f. JEUNESSE failed to strictly implement and enforce the "70%
9 rule."

10 g. JEUNESSE does not require that a distributor make any product
11 sales to ultimate consumers outside the distribution channel.

12 h. Other than the public compensation plan, JEUNESSE has a
13 private compensation plan involving secret, undisclosed backroom deals
14 offered to those believed to be "quality" recruits;

15 i. All JEUNESSE's compensation plans further JEUNESSE's
16 operation of an illegal pyramid scheme because all of the plans resolve
17 around recruitment.

18 j. Only with a private compensation plan involving secret,
19 undisclosed backroom deals can provide a distributor opportunity to make
20 "streams of income" and "wealth" as promised by Defendants;

21 and

22 k. JEUNESSE requires an ever-expanding and endless-recruiting
23 network of getting new distributors and recruiters in order to keep their
24 pyramid scheme running.

25 82. As alleged above, Named Plaintiffs and other class members' income
26 are based mainly on the number of people they recruit, and based on the money
27 those new recruits pay to join the company and to purchase more products in order
28 to sustain, but not based on the sales of products to consumers. Defendants are

1 profited from the expenses of named Plaintiffs and others similarly situated.

2 83. Defendants represented to Plaintiffs and all others similarly situated
3 that they could make “streams of income” and “wealth,” by recruiting others to
4 become JEUNESSE distributors and new recruiters.

5 84. With an attractive "financial incentive plan," Defendants induced
6 Plaintiffs and others similarly situated to spend hundreds of thousands of monthly
7 consumption on JEUNESSE.

8 85. According to the plan, distributors are divided into fifteen (15) levels,
9 starting from the fourth level to participate in the distribution of incentives, high-
10 level members from the low level of product consumption in the profit. The higher
11 level distributors make higher incentive income and/or reward benefit. The highest
12 level is diamond level. The diamond distributor can get \$1,000,000.00 (one million
13 dollars) or more incentive income and/or reward benefit.

14 86. To get these rewards, distributors must first buy the distributorship
15 package and become a distributor. The package is priced at \$199.95 and up to
16 \$1,149.95 in the United States (at \$ 300.00 and up to \$ 3,100.00 in China).
17 Different packages can get a different “identity;” the purchase of the highest
18 amount of the package can become sapphire distributors directly. However, in
19 order to become a "sapphire distributor and keep the “Identity,” the distributor
20 needs to recruit others.

21 87. JEUNESSE advertises that those who sign-up for its “business
22 opportunity” can make over \$26,250.00 per week. Its Diamond distributors and
23 Diamond Directors including but not limited to MAY CHANG, YVONNE YEN,
24 LISA WANG, SAMSON LI, and KIM HUI also make unrealistic financial
25 promises, such as being able to make millions of dollars per year to lower level
26 distributors and new recruits.

27 88. Relied on the representations, Named Plaintiffs and all Class and Sub-
28 class Members all invested in the “business opportunity” and all paid JEUNESSE

1 fees for their entitlement to become distributors and recruiters.

2 89. Named Plaintiffs and all Class Members ordered JEUNESSE products
3 continuously from JEUNESSE and recruited numerous new participants for
4 JEUNESSE.

5 90. However, Named Plaintiffs did not make money based on Defendants’
6 representation. After put in monetary investments, the time and effort recruiting
7 others to become JEUNESSE distributors and new recruiters, named Plaintiffs did
8 not make “streams of income” and “wealth” as promised by Defendants. Named
9 Plaintiffs did not make over \$26,250.00 per week. They failed because the so-
10 called “business opportunity” is a scam conducted by corrupted organizations
11 formed by Defendants. They failed because the corrupted organizations set up a
12 business plan pays millions to those few at the top of the pyramid at the expense of
13 the Named Plaintiff and class members (the majority of the entire five hundred
14 thousand (500,000) JEUNESSE distributors).

15 91. Defendants set up USGS to further exploiting the resources of Named
16 Plaintiffs and class members. For example, as distributors of JEUNESSE, Named
17 Plaintiffs and sub-class members were deceived or forced to pay for materials,
18 products, and events produced by USGS. USGS is a company operating under the
19 label of JEUNESSE. Named Plaintiffs and all others similarly situated were also
20 forced to do work for USGS without compensations.

21 92. Moreover, Defendant KIM HUI mandates JEUNESSE distributors
22 under her chain to pay all kinds of fees to USGS based on the amount each
23 distributor received from JEUNESSE and the involvement of the activities. Named
24 plaintiffs and others similarly situated were also forced to work for USGS without
25 compensations. The JEUNESSE business operated by USGS is a big time cash
26 business without proper accounting.

27 93. Defendants willfully concealed the fact that the “business opportunity”
28 was designed for a few selected people, never for the entire group of distributors.

1 Named Plaintiffs failed to become diamond distributors because they are not the
2 selected few, who did backroom deal with JEUNESSE, who had insider knowledge,
3 who had privileges to become diamond distributors.

4 94. As a result of Defendants' fraudulent conduct, Named Plaintiffs and
5 others similarly situated wasted their money purchasing the "business opportunity"
6 and wasted their time and effort recruiting others.

7 95. Defendants failed to inform Named Plaintiffs and others similarly
8 situated that only the very few top JEUNESSE distributors can earn "streams of
9 income" and "wealth" such as KIM HUI's having a \$6,000,000.00 (six million
10 dollars) income in a year, but not the entire five hundred thousand (500,000)
11 distributors can do so. In fact, after Truth in Advertising Organization ("TINA.org")
12 issued a warning, JEUNESSE admitted that fifty (50) percent of the distributor had
13 a monthly income of less than \$50.00 (fifty dollars).

14 96. Moreover, Named Plaintiffs were deceived by Defendants' misleading
15 income claim and medical claim.

16 97. Defendants represented to Named Plaintiff and all Class Members that
17 that JEUNESSE has six (6) major revenue streams. Defendants claim that the
18 distributors' earning can be as high as several thousand dollars weekly.

19 98. Defendants represented to Named Plaintiffs and all Class Members
20 that the diamond distributors and "Diamond Directors" have an average of more
21 than \$1,000,000.00 (one million dollars) in revenue each year and the revenues
22 have been earned by following the rules and policy of JEUNESSE. Defendants
23 represented to Named Plaintiffs and all Class Members that by following
24 JEUNESSE's rule and policy, each one of them can also become a "diamond
25 distributor" and/or "Diamond Director."

26 99. In order to explore Chinese market, Defendants asked their Chinese
27 American distributors to recruit Chinese nationals to become JEUNESSE
28 distributors and recruiters without any legal authorization from Chinese government.

1 100. Defendants MAY CHANG, YVONNE YEN, LISA WANG, and
2 SAMSON LI consistently promote JEUNESSE’s recruiting events in Hong Kong
3 and China. They made hefty profits in cash from the events and utilized multiple
4 individuals and other means to carry their cash back to the United States for them.
5 The conduct violates foreign laws and constitutes money laundering and tax evasion.

6 101. The JEUNESSE business in China and Hong Kong becomes a big time
7 cash business without proper accounting.

8 102. In fact, MAY CHANG, YVONNE YEN, LISA WANG, SAMSON LI,
9 the so-called “diamond directors” who made the above-mentioned representations
10 to named Plaintiffs and others similarly situated, did not become diamond directors
11 by following JEUNESSE’s rule and policy, but by having private compensation
12 plan involving secret, undisclosed backroom deals.

13 103. Defendants routinely made false income and medical claims as their
14 recruiting statements to their prospect distributors during the recruit meeting and
15 events.

16 104. Defendants failed to inform named Plaintiffs and all others similarly
17 situated that JEUNESSE has a private compensation plan involving secret,
18 undisclosed backroom deals offered to those believed to be “quality” recruits,
19 typically top earners in other network marketing companies with established chains
20 and those who acquired privilege to “frog-leap” up the chain so they can sit on the
21 top of the pyramid without progressing through all of the stages in between.

22 105. On August 22, 2017, in front of several distributors and prospective
23 recruits, Defendant MAY CHANG made “income claims” to the audience, the
24 distributors who are members of her team and prospective recruits. Defendant
25 MAY CHANG attained her diamond status through backroom deal and secret plan.

26 106. Moreover, in February 2017, in a luncheon, Defendant YVONNE
27 YEN made “income claims” to the audience. She publicly claimed that she had
28 make \$3,000,000.00 (three million dollars) in 2016 to the distributors who are

1 members of her team and prospective recruits.

2 107. On information and belief, Named Plaintiffs alleged that MAY
3 CHANG, YVONNE YEN, LISA WANG, and SAMSON LI are all reached their
4 diamond statuses through backroom deal and secret plan.

5 108. Furthermore, at JEUNESSE's 2015 Singapore convention, all four of
6 the doctors on the board of JEUNESSE claimed that some JEUNESSE products can
7 manipulate human genes and cells and JEUNESSE products can actually slow the
8 aging process and cure cancer.

9 109. The medical claims made by Defendants' experts were typical expert's
10 opinions, which created undue influence on their audience.

11 110. The medical claims made by Defendants' experts were not supported
12 by any scientific evidence.

13 111. The above-listed statements made by Defendants are deceptive income
14 claims regarding the financial gains consumers will achieve by becoming
15 distributors.

16 112. The above-listed statements made by Defendants' medical advisors
17 are deceptive medical claims regarding some JEUNESSE products that can
18 manipulate human genes and cells and JEUNESSE products can actually slow the
19 aging process and cure cancer.

20 113. As alleged above, Defendant KIM HUI's \$6,000,000.00 (six million
21 dollars) annual income received from JEUNESSE is clearly not based on the sales
22 of products to consumers.

23 114. Moreover, Defendants MAY CHANG, YVONNE YEN, LISA WANG,
24 and SAMSON LI's more than \$1,000,000.00 (one million dollars) annual income
25 received from JEUNESSE are clearly not based on the sales of products to
26 consumers.

27 115. Defendant FFI is a multi-level direct sales network marketing company.
28 In February 2009, Defendant RANDY RAY, as CEO of the company, signed an

1 agreement and paid \$ 100,000.00 (one hundred thousand dollars) to the Florida
2 Attorney General's office. Under the terms of the agreement, FFI and RANDY
3 RAY were banned from issuing false and misleading advertisements to carry out
4 chain sales and pyramid schemes. However, the same chain sales and pyramid
5 scheme continue to be active in JEUNESSE business operation.

6 116. Defendants were and still are using deceptive income and medical
7 claims to recruit new distributors.

8 117. Defendants are using FFI as a shell to recruit new distributors outside
9 of United States and to claim JEUNESSE as a global company.

10 118. Defendants omitted to inform Named Plaintiffs and all Class Members
11 that JEUNESSE is using FFI as a shell to recruit new distributors outside of United
12 States and to run its business globally.

13 119. Named Plaintiffs are informed and believes, and thereon alleges, that
14 Defendants' conducts were committed with the conscious disregard of the rights of
15 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
16 such as to constitute oppression, fraud or malice entitling Plaintiffs and class
17 members to punitive and exemplary damages.

18 120. As a proximate and direct result of Defendants' aforementioned
19 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
20 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
21 billion dollars).

22 **FIRST CLAIM**

23 **FRAUD AND DECEIT**

24 **(On Behalf of the Class, and All Subclasses)**

25 **(Against all Defendants, including DOES 1 to 100)**

26 121. Named Plaintiffs, on behalf of themselves and all Class Members, re-
27 allege and incorporate by reference all allegations previously made in Paragraphs 1
28 through 120 above as if fully set forth herein.

1 122. When Defendants made the representations, they knew them to be
2 false. The truth is that Plaintiffs and all Class Members will never be able to
3 achieve diamond status based on Defendants' false advertisement, false financial
4 disclosures, false income claims, and illegal scheme.

5 123. Defendants did know, and had a reason to know or suspect, that the
6 representations were false, and they willfully made representations to named
7 Plaintiffs and all Class Members.

8 124. At the time the representations were made, Plaintiffs did not know, and
9 had no reason to know or suspect, that the representations were false, and they
10 justifiably relied on the representations.

11 125. Within the last three years, Plaintiffs discovered the falsity and
12 misleading character of the misrepresentations.

13 126. Acted in concert with each other, DOES 1 through 100, inclusive,
14 aided, abetted and conspired with Defendants in making the fraudulent
15 misrepresentations to named Plaintiffs and all Class Members.

16 127. As a direct and legal result of Defendants' willful, malicious and unfair
17 conducts to Named Plaintiffs and all Class Members, they have suffered and
18 continue to suffer damages.

19 128. As a proximate and direct result of Defendants' aforementioned
20 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
21 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00 (one
22 billion dollars).

23 129. Named Plaintiffs are informed and believes, and thereon alleges, that
24 Defendants' conducts were committed with the conscious disregard of the rights of
25 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
26 such as to constitute oppression, fraud or malice entitling Plaintiffs and all Class
27 Members to punitive and exemplary damages.

28

SECOND CLAIM

FRAUDULENT CONCEALMENT

(On Behalf of the Class, and All Subclasses)

(Against All Defendants, including DOES 1 to 100)

130. Named Plaintiffs, on behalf of themselves and all Class Members, re-allege and incorporate by reference all allegations previously made in Paragraphs 1 through 129 above as if fully set forth herein.

131. Named Plaintiffs allege that Defendants omitted to inform the Plaintiffs and all Class Members the followings:

a. that Defendants were promoting a business opportunity that did not exist except for a select few;

b. that Named Plaintiffs and all Class Members were entering into an endless chain;

c. that a majority of distributors and recruiters lose money;

d. that Defendants' income claims during the Class Period were deceptive and misleading;

e. that only the very few top JEUNESSE distributors can earn "streams of income" and "wealth" such as KIM HUI's \$6,000,000.00 (six million dollars), but not the entire five hundred thousand (500,000) distributors can do so;

f. that Defendants MAY CHANG, YVONNE YEN, LISA WANG, and SAMSON LI, (the "diamond directors" or "diamond distributors") did not simply become diamond directors and diamond distributors by following JEUNESSE's rule and policy, but by having private compensation plan involving secret, undisclosed backroom deals;

g. that JEUNESSE has a private compensation plan involving secret, undisclosed backroom deals offered to those believed to be "quality" recruits, typically top earners in other network marketing

1 companies with established chains and those who acquired privilege to
2 “frog-leap” up the chain so they can sit on the top of the pyramid without
3 progressing through all of the stages in between;

4 h. that Defendants are using FFI as a shell to recruit new
5 distributors outside of United States including China;

6 i. that Defendants have been operating their business in China
7 without legal authorization from Chinese government;

8 and

9 j. that Defendants’ medical claims related to JEUNESSE’s during
10 the Class Period were deceptive and misleading.

11 132. Defendants intentionally and systemically concealed the necessary
12 information regarding Defendants’ false advertisement, false financial disclosures,
13 false income claims against Named Plaintiffs and all Class Members.

14 133. Defendants were in the unique position to know the information and
15 they elected to conceal them against Named Plaintiffs and all Class Members.

16 134. Defendants intended to deceive Named Plaintiff and all Class
17 Members by concealing these facts.

18 135. Named Plaintiffs and all Class Members were reasonably relied on
19 Defendants’ representations.

20 136. Named Plaintiffs and all Class Members were harmed by Defendants’
21 fraudulent concealment.

22 137. Within the last three years, Named Plaintiffs discovered the
23 concealment.

24 138. Acted in concert with each other, DOES 1 through 100, inclusive,
25 aided, abetted and conspired with Defendants in making the concealment against
26 Named Plaintiffs and all Class Members.

27 139. As a direct and legal result of Defendants’ willful, malicious and unfair
28 conducts to Named Plaintiffs and all Class Members, they have suffered and

1 continue to suffer damages.

2 140. As a direct and legal result of Defendants' willful and unfair conduct,
3 Named Plaintiffs and all Class Members have suffered damages.

4 141. As a proximate and direct result of Defendants' aforementioned
5 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
6 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00 (one
7 billion dollars).

8 142. Named Plaintiffs are informed and believes, and thereon alleges, that
9 Defendants' conducts were committed with the conscious disregard of the rights of
10 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
11 such as to constitute oppression, fraud or malice entitling Named Plaintiffs and all
12 Class Members to punitive and exemplary damages.

13 **THIRD CLAIM**

14 **(Federal Racketeer Influenced and Corrupt Organizations ("RICO") Sections**
15 **of Title IX of the Organized Crime Control Act of 1970 18 U. S. C. §§ 1961-**
16 **1968, Specifically 18 U.S.C. §§ 1341, 1343, and 1962(a))**

17 **(On Behalf of the Class, and All Subclasses)**

18 **(Against All Defendants, including DOES 1 to 100)**

19 143. Named Plaintiffs, on behalf of themselves and all Class Members, re-
20 allege and incorporate by reference all allegations previously made in Paragraphs 1
21 through 142 above as if fully set forth herein.

22 144. Defendants willfully violated the Federal Racketeer Influenced and
23 Corrupt Organizations Sections of Title IX of the Organized Crime Control Act of
24 1970 18 U. S. C. §§ 1961-1968.

25 145. The Defendants together make up the enterprise (the "Enterprise") as
26 an association of entities and individuals associated in fact to operate an illegal
27 pyramid scheme and chainless scheme.

28 146. Defendants JEUNESSE, USGS, and the Diamond Distributors are

1 separate entities from the Enterprise and play separate and distinct roles in the
2 operation of the Enterprise.

3 147. From April 2009 and continuing until the present, Defendants conduct
4 the affairs of the Enterprise through a pattern of racketeering activity made up of
5 distinct acts of mail and wire fraud under 18 U.S.C. §§ 1341 and 1343.

6 148. The Enterprise engaged in and affected interstate and foreign trade.

7 149. The Enterprise transacts business through the instrumentalities of
8 interstate commerce such as telephones, facsimile machines, the internet, email, and
9 the United States mail and interstate commercial carrier to communicate in
10 furtherance of the activities of the Enterprise.

11 150. The Enterprise transacts business through the instrumentalities of
12 interstate commerce by and through internet social media such zoom, line, wechat,
13 whatsapp, Facebook, Instagram, Youtube, and all other means of communication.

14 151. The Enterprise advertises, markets, and sells products and services
15 throughout the United States. The operation of the enterprise continued over several
16 years, including activities in every state, and has affected and damaged, and
17 continues to affect and damage, commercial activity.

18 152. The Enterprise was formed to earn money through fraudulent means.

19 153. The Enterprise reaps large profits for itself based on false
20 representations to named Plaintiffs and all others similarly situated.

21 154. The racketeering acts all had the same pattern and similar purpose of
22 defrauding Plaintiffs and all others similarly situated for the benefit of Defendants.

23 155. Each racketeering act was related, had a similar purpose, involved the
24 same or similar participants and methods of commission and had similar results
25 affecting Plaintiffs and all others similarly situated.

26 156. Named Plaintiffs and all others similarly situated were injured by the
27 reinvestment of the racketeering income into Enterprise.

28 157. In connection with promoting and executing their illegal scheme,

1 members of the Enterprise knowingly and recklessly placed and caused to be placed
2 in the United States mail or by interstate commercial carriers.

3 158. In connection with promoting and executing their illegal scheme,
4 members of the Enterprise engaged in wire fraud, in violation of 18 U.S.C. §1343,
5 by, among other things, knowingly and recklessly transmitting or causing to be
6 transmitted with wire communications, in interstate and foreign trade, materials
7 promoting the illegal Pyramid scheme on internet web sites, email, facsimile,
8 telephone, and text messages, including promotional materials, registration
9 information, product information, and invoices.

10 159. Each Defendant has promoted the pyramid scheme and the Enterprise.

11 160. Each use of the mail or wire by Defendants including Diamond
12 Distributors done in furtherance of the pyramid scheme is an act of racketeering.

13 161. By engaging in these acts, Defendants have committed flagrant
14 violations of RICO.

15 162. As a consequence of Defendants' unlawful conduct, Plaintiffs have
16 suffered damages.

17 163. Defendants willfully and intentionally violated and continue to violate
18 RICO, FCPA, and California laws with the goal of obtaining money, directly and
19 indirectly, through a pattern of racketeering activities in violation of the mail and
20 wire fraud statutes, 18 U.S.C. §§ 1341 and 1343, 18 U.S.C. §1962(a), and California
21 Penal Code §327.

22 164. Each of the Defendants is engaged in activities federal interstate and
23 foreign commerce and is entities capable of holding a legal or beneficial interest in
24 property.

25 165. All Defendants are “persons,” as that term is defined by 18 U.S.C.
26 §1961(3).

27 166. As a proximate result of the wrongful acts herein alleged, Named
28 Plaintiffs and all Class Members have been damaged.

1 167. As a direct and legal result of Defendants' willful, malicious and unfair
2 conducts to Named Plaintiffs and all Class Members, they have suffered and
3 continue to suffer damages in a sum according to proof.

4 168. Acted in concert with each other, DOES 1 through 100, inclusive,
5 aided, abetted and conspired with Defendants in making the concealment against
6 Named Plaintiffs and all Class Members.

7 169. As a proximate and direct result of Defendants' aforementioned
8 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
9 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
10 billion dollars).

11 170. Named Plaintiffs are informed and believes, and thereon alleges, that
12 Defendants' conducts were committed with the conscious disregard of the rights of
13 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
14 such as to constitute oppression, fraud or malice entitling Named Plaintiffs and all
15 Class Members to punitive and exemplary damages.

16 **FOURTH CLAIM**

17 **(Foreign Corrupt Practices Act of 1977 (FCPA) 15 U.S.C. § 78dd-1, et seq.)**

18 **(On Behalf of the Class, and All Subclasses)**

19 **(Against All Defendants, including DOES 1 to 100)**

20 171. Named Plaintiffs, on behalf of themselves and all Class Members, re-
21 allege and incorporate by reference all allegations previously made in Paragraphs 1
22 through 170 above as if fully set forth herein.

23 172. Defendants willfully violated Foreign Corrupt Practices Act of 1977
24 (FCPA) 15 U.S.C. § 78dd-1, et seq.

25 173. In order to explore Chinese market, Defendants asked their Chinese
26 American distributors to recruit Chinese nationals to become JEUNESSE
27 distributors without legal authorization from Chinese government.

28 174. Moreover, Defendants MAY CHANG, YVONNE YEN, LISA WANG,

1 SAMSON LI, and KIM HUI consistently promote JEUNESSE's recruiting events
2 in Hong Kong and China. They made hefty profits in cash from the events and
3 utilized multiple individuals and other means to carry their cash back to the United
4 States for them. The conduct violates foreign laws and constitutes money
5 laundering and tax evasion.

6 175. Defendants' conduct violated Foreign Corrupt Practices Act of 1977
7 (FCPA) 15 U.S.C. § 78dd-1, et seq.

8 176. Acted in concert with each other, DOES 1 through 100, inclusive,
9 aided, abetted and conspired with Defendants in making the concealment against
10 named Plaintiffs and class members.

11 177. As a direct and legal result of Defendants' willful and unfair conduct,
12 named Plaintiffs and those Plaintiffs similarly situated (Class Members) have
13 suffered damages.

14 178. As a proximate and direct result of Defendants' aforementioned
15 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
16 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00 (one
17 billion dollars).

18 179. Named Plaintiffs are informed and believes, and thereon alleges, that
19 Defendants' conducts were committed with the conscious disregard of the rights of
20 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
21 such as to constitute oppression, fraud or malice entitling Named Plaintiffs and all
22 Class Members to punitive and exemplary damages.

23 **FIFTH CLAIM**

24 **(False Advertising Law (Business and Professions Code § 17500))**

25 **(On Behalf of the Class, and All Subclasses)**

26 **(Against All Defendants, including DOES 1 to 100)**

27 180. Named Plaintiffs, on behalf of themselves and all Class Members, re-
28 allege and incorporate by reference all allegations previously made in Paragraphs 1

1 through 179 above as if fully set forth herein.

2 181. Defendants willfully violated False Advertising Law (Business and
3 Professions Code § 17500.

4 182. At JEUNESSE's 2015 Singapore convention, all four of the doctors on
5 the board of JEUNESSE claim that some JEUNESSE products can manipulate
6 human genes and cells and JEUNESSE products can actually slow the aging
7 process and cure cancer.

8 183. The above-listed statements made by Defendants' medical advisors
9 are deceptive medical claims regarding some JEUNESSE products that can
10 manipulate human genes and cells and JEUNESSE products can actually slow the
11 aging process and cure cancer.

12 184. At all times mentioned herein, Defendants expressly represented to
13 Named Plaintiffs and all Class Members by and through statements made by
14 Defendants or their authorized agents or sales representatives, orally and in
15 publications, and other written materials intended for the general public, that the
16 aforementioned products can manipulate human genes and cells and JEUNESSE
17 products can actually slow the aging process and cure cancer and were effective, fit
18 and proper for their intended use.

19 185. In utilizing the aforementioned products, Named Plaintiffs and all
20 Class Members relied on the skill, judgment, representations and foregoing express
21 representation of the Defendants, and each of them. The aforementioned claims
22 made by the four doctors on the board of JEUNESSE constituted expert opinion and
23 inflicted undue influence on Named Plaintiffs, the Class Members, and the public.

24 186. However, after plenteous use of the products, Named Plaintiffs
25 discovered that the Said representations were false in that the aforementioned
26 products were not conclusively proven effective.

27 187. As a result of the foregoing breach of express warranties by the
28 Defendants, Named Plaintiffs and all Class Members suffered injuries and damages

1 as alleged herein.

2 188. Acted in concert with each other, DOES 1 through 100, inclusive,
3 aided, abetted and conspired with Defendants in making the concealment against
4 Named Plaintiffs and all Class Members.

5 189. As a direct and legal result of Defendants' conduct, Named Plaintiffs
6 and all Class Members have suffered damages.

7 190. As a proximate and direct result of Defendants' aforementioned
8 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
9 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
10 billion dollars).

11 191. Named Plaintiffs are informed and believes, and thereon alleges, that
12 Defendants' conducts were committed with the conscious disregard of the rights of
13 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
14 such as to constitute oppression, fraud or malice entitling Named Plaintiffs and all
15 Class Members to punitive and exemplary damages.

16 **SIXTH CLAIM**

17 **(California's Endless Chain Scheme Law (California's Civil Code § 1689.2))**

18 **(On Behalf of the Class, and All Subclasses)**

19 **(Against All Defendants, including DOES 1 to 100)**

20 192. Named Plaintiffs, on behalf of themselves and all Class Members, re-
21 allege and incorporate by reference all allegations previously made in Paragraphs 1
22 through 190 above as if fully set forth herein.

23 193. Defendants willfully violated Section 1689.2 of the California Civil
24 Code, which provides "A participant in an endless chain scheme, as defined in
25 Section 327 of the California Penal Code, may rescind the contract upon which the
26 scheme is based, and may recover all consideration paid pursuant to the scheme,
27 less any amounts paid or consideration provided to the participant pursuant to the
28 scheme."

1 194. Defendants are operating an endless chain scheme.

2 195. Named Plaintiffs and all Class Members have suffered an injury in fact
3 and have lost money or property because of Defendants' operation of an endless
4 chain.

5 196. Acted in concert with each other, DOES 1 through 100, inclusive,
6 aided, abetted and conspired with Defendants in making the concealment against
7 Named Plaintiffs and all Class Members.

8 197. As a direct and legal result of Defendants' willful and unfair conduct,
9 Named Plaintiffs and all Class Members have suffered damages.

10 198. As a direct and legal result of Defendants' willful, malicious and unfair
11 conducts to Named Plaintiffs and all Class Members, they suffered and continue to
12 suffer damages.

13 199. As a proximate and direct result of Defendants' aforementioned
14 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
15 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
16 billion dollars).

17 200. Named Plaintiffs are informed and believes, and thereon alleges, that
18 Defendants' conducts were committed with the conscious disregard of the rights of
19 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
20 such as to constitute oppression, fraud or malice entitling Named Plaintiffs and all
21 Class Members to punitive and exemplary damages.

22 **SEVENTH CLAIM**

23 **(Breach of an Implied Covenant of Good Faith and Fair Dealing)**

24 **(On Behalf of the Class, and All Subclasses)**

25 **(Against All Defendants, including DOES 1 to 100)**

26 201. Named Plaintiffs, on behalf of themselves and all Class Members, re-
27 allege and incorporate by reference all allegations previously made in Paragraphs 1
28 through 199 above as if fully set forth herein.

1 202. Defendants willfully violated Breach of an Implied Covenant of Good
2 Faith and Fair Dealing.

3 203. Acted in concert with each other, DOES 1 through 100, inclusive,
4 aided, abetted and conspired with Defendants in making the concealment against
5 Named Plaintiffs and all Class Members.

6 204. As a direct and legal result of Defendants' willful and unfair conduct,
7 Named Plaintiffs and all Class Members have suffered damages.

8 205. As a direct and legal result of Defendants' willful, malicious and unfair
9 conduct to all Sub-class Members, all Sub-class Members have suffered and
10 continue to suffer damages.

11 206. As a proximate and direct result of Defendants' aforementioned
12 wrongful conduct, Plaintiffs and all Class Members have been damaged in an
13 amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
14 billion dollars).

15 207. Named Plaintiffs are informed and believes, and thereon alleges, that
16 Defendants' conducts were committed with the conscious disregard of the rights of
17 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
18 such as to constitute oppression, fraud or malice entitling Named Plaintiffs and all
19 Class Members to punitive and exemplary damages.

20 **EIGHTH CLAIM**

21 **(Negligent Misrepresentation, including DOES 1 to 100)**

22 **(On Behalf of the Class, and All Subclasses)**

23 **(Against All Defendants)**

24 208. Named Plaintiffs, on behalf of themselves and all Class Members, re-
25 allege and incorporate by reference all allegations previously made in Paragraphs 1
26 through 206 above as if fully set forth herein.

27 209. Defendants represented to Named Plaintiffs and all Class Members
28 who were recruiters or distributors that they can realize "Stream of Income" and

1 “wealth by becoming a distributor and participating in the business opportunity
2 offered by JEUNESSE.

3 210. Defendants represented to Named Plaintiffs and all Class Members
4 that some JEUNESSE products can manipulate human genes and cells and
5 JEUNESSE products can actually slow the aging process and cure cancer.

6 211. The above statements made by Defendants’ medical advisors are
7 deceptive medical claims regarding some JEUNESSE products that can manipulate
8 human genes and cells and JEUNESSE products can actually slow the aging
9 process and cure cancer.

10 212. Defendants’ above-listed representations were not true, as Defendants
11 knew or reasonably should have known that the statements were not true or were
12 misleading in nature.

13 213. Regardless of whether Defendants honestly believed that the
14 representations were true, Defendants had no reasonable grounds for believing the
15 representations were true when they made the statements.

16 214. Defendants intended that Named Plaintiffs and all Class Members rely
17 on the representations.

18 215. Named Plaintiffs and all Class Members reasonably relied on
19 Defendants’ representations.

20 216. Named Plaintiffs and all Class Members’ reliance on Defendants’
21 representations was a substantial factor in causing their harm.

22 217. Defendants acted in concert with each other, DOES 1 through 100,
23 inclusive, aided, abetted and conspired with Defendants in making the
24 Misrepresentation to Named Plaintiffs and all Class Members.

25 218. As a direct and legal result of Defendants’ willful, malicious and unfair
26 conducts to Named Plaintiffs and all Class Members, they have suffered and
27 continue to suffer damages.

28 219. As a direct and legal result of Defendants’ Misrepresentation, Named

1 Plaintiffs and all Class Members have suffered damages.

2 220. As a proximate and direct result of Defendants' aforementioned
3 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
4 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
5 billion dollars).

6 **NINTH CLAIM**

7 **(Civil Conspiracy)**

8 **(On Behalf of the Class, and All Subclasses)**

9 **(Against All Defendants, including DOES 1 to 100)**

10 221. Named Plaintiffs, on behalf of themselves and all Class Members, re-
11 allege and incorporate by reference all allegations previously made in Paragraphs 1
12 through 219 above as if fully set forth herein.

13 222. Named Plaintiffs are further informed and believe and thereon allege
14 that each and all of the acts herein alleged as to each defendant was authorized and
15 directed by the remaining defendants, who ratified, adopted, condoned and
16 approved said acts with full knowledge of the consequences thereof, and
17 memorialized the authority of the agent in a writing subscribed by the principal.

18 223. Named Plaintiffs are informed and believe and thereon allege that each
19 of the defendants herein agreed among each other to commit the unlawful acts (or
20 acts by unlawful means) described in this Complaint.

21 224. The desired effect of the conspiracy was to defraud and otherwise
22 deprive Named Plaintiffs and all Class Members of their constitutionally protected
23 rights to property and of their rights under other laws as set forth herein. Each of the
24 defendants herein committed an act in furtherance of the agreement. Injury was
25 caused to the Named Plaintiffs and all Class Members by the defendants as a
26 consequence.

27 225. Acted in concert with each other, DOES 1 through 100, inclusive,
28 aided, abetted and conspired with Defendants in making the concealment against

1 Named Plaintiffs and all Class Members.

2 226. As a direct and legal result of Defendants' willful, malicious and unfair
3 conducts to Named Plaintiffs and all Class Members, they have suffered and
4 continue to suffer damages.

5 227. As a direct and legal result of Defendants' willful and unfair conduct,
6 Named Plaintiffs and all Class Members have suffered damages.

7 228. As a proximate and direct result of Defendants' aforementioned
8 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in
9 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00. (one
10 billion dollars).

11 229. Named Plaintiffs are informed and believes, and thereon alleges, that
12 Defendants' conducts were committed with the conscious disregard of the rights of
13 Named Plaintiffs and all Class Members, and with the intent to vex, injure or annoy,
14 such as to constitute oppression, fraud or malice entitling Named Plaintiffs and all
15 Class Members to punitive and exemplary damages.

16 **TENTH CLAIM**

17 **(Unfair Business Practices Under Business & Professions Code Sections 17200,**
18 **et seq.)**

19 **(On Behalf of the Class, and All Subclasses)**

20 **(Against All Defendants, including DOES 1 to 100)**

21 230. Named Plaintiffs, on behalf of themselves and all Class Members, re-
22 allege and incorporate by reference all allegations previously made in Paragraphs 1
23 through 228 above as if fully set forth herein.

24 231. Defendants have engaged in constant and continuous unlawful,
25 fraudulent and unfair business acts or practices, and unfair, deceptive, false and
26 misleading advertising within the meaning of the California Business and
27 Professions Code § 17200, et seq.

28 232. The acts or practices alleged constitute a pattern of behavior, pursued

1 as a wrongful business practice that has victimized and continues to victimize
2 thousands of consumers. The JEUNESSE sales and marketing plan is unlawful.

3 233. Defendants willfully violated Unfair Business Practices under Business
4 & Professions Code Sections 17200, et seq.

5 234. Acted in concert with each other, DOES 1 through 100, inclusive,
6 aided, abetted and conspired with Defendants in making the concealment against
7 Named Plaintiffs and all Class Members.

8 235. Defendants' illegal scheme constitutes unfair competition and unlawful,
9 unfair, and fraudulent business acts and practices in violation of California Business
10 and Professions Code Sections 17200, et seq.

11 236. California Business and Professions Code Section 17200, et seq.
12 prohibits businesses from engaging in “any unlawful, unfair or fraudulent business
13 act or practice and unfair, deceptive, untrue or misleading advertising,” and was
14 designed to protect competitors and consumers from illegal, fraudulent and “unfair”
15 business practices.

16 237. Defendants, and each of them, have engaged in fraudulent, unfair and
17 deceptive business behavior and knowingly misrepresented material information.

18 238. As described above, Defendants have violated the following California
19 laws and Federal laws: (a) California’s endless Chain Scheme Law (California’s
20 Penal Code § 327 and California Civil Code § 1689.2); (2) False Advertising Law
21 (Business and Professions Code § 17500); (3) Foreign Corrupt Practices Act of
22 1977 (FCPA) 15 U.S.C. § 78dd-1, et seq., and (4) Racketeer Influenced and Corrupt
23 Organizations Act, 18 U.S.C. § 1961 et seq.

24 239. California’s endless Chain Scheme Law (California’s Penal Code §
25 327 and California Civil Code § 1689.2), California’s Unfair Competition Law
26 (Business and Professions Code § 17200 et seq. “UCL”), false and misleading
27 income claims, False Advertising Law (Business and Professions Code § 17500),
28 and Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 et seq.

1 against all defendants for the operation and promotion of an inherently fraudulent
2 endless chain scheme.

3 240. Defendants' activities also constitute unfair business practices in
4 violation of California Business & Professions Code Sections 17200 et seq.,
5 because Defendants' practices violate the above noted laws, and/or violate an
6 established public policy and/or the practice is immoral, unethical, oppressive,
7 unscrupulous and substantially injurious to Plaintiffs and the public.

8 241. Defendants, through at least the past four (4) years, have conducted a
9 pattern of Unfair Business Practice under Business & Professions Code Sections
10 17200, et seq.

11 242. UCL defines unfair competition to include any unlawful, unfair, or
12 fraudulent business act or practice. The UCL authorizes this Court to issue
13 whatever orders or judgments may be necessary to prevent unfair or unlawful
14 practices, or to "restore to any person in interest any money or property, real or
15 personal, which may have been acquired by means of such unfair competition." Id.
16 § 17203.

17 243. UCL prohibits businesses from engaging in "any unlawful, unfair or
18 fraudulent business act or practice and unfair, deceptive, untrue or misleading
19 advertising," and was designed to protect competitors and consumers from illegal,
20 fraudulent and "unfair" business practices.

21 244. As a result of their unlawful acts, Defendants have reaped and continue
22 to reap unfair benefits and unlawful profits at the expense of Class Members.

23 245. Defendants are unjustly enriched.

24 246. As a direct and legal result of Defendants' willful, malicious and unfair
25 conducts to Named Plaintiffs and all Class Members, they have suffered and
26 continue to suffer damages.

27 247. As a proximate and direct result of Defendants' aforementioned
28 wrongful conduct, Named Plaintiffs and all Class Members have been damaged in

1 an amount to be proven at trial, but estimated to exceed \$1,000,000,000.00 (one
2 billion dollars).

3 248. Names Plaintiffs are informed and believes, and thereon alleges, that
4 Defendants' conducts were committed with the conscious disregard of the rights of
5 Cross-complainant, and with the intent to vex, injure or annoy, such as to constitute
6 oppression, fraud or malice entitling Named Plaintiffs and all Class Members to
7 punitive and exemplary damages.

8 **ELEVENTH CLAIM**

9 **(Unjust Enrichment)**

10 **(On Behalf of the Class, and All Subclasses)**

11 **(Against Defendants JEUNESSE, including DOES 1 to 100)**

12 249. Named Plaintiffs, on behalf of themselves and all members of the
13 Class Members, re-allege and incorporate by reference all allegations previously
14 made in Paragraphs 1 through 247 above as if fully set forth herein.

15 250. As a consequence of the acts described above, Defendants were
16 unjustly enriched at the expense of Named Plaintiffs and all Class Members in an
17 amount to be determined which, under the circumstances, in equity and good
18 conscience should be returned to the named Plaintiffs and all Class Members.

19 251. Named Plaintiffs and all Class Members claim the recovery of all
20 monies by which Defendants have been unjustly enriched.

21 252. Named Plaintiffs and all Class Members seek disgorgement of profits
22 from the unfair and unlawful business practices of Defendants and restitution of all
23 monies and benefits which were unlawfully withheld, and for such orders or
24 judgments, including the appointment of a receiver, as may be necessary to restore
25 to Named Plaintiffs and all Class Members any money or property which may have
26 been acquired by means of unlawful or unfair business acts and practices.

27 **TWELFTH CLAIM**

28 **(Declaratory Relief)**

1 **(On Behalf of the Class, and All Subclasses)**

2 **(Against Defendants JEUNESSE, including DOES 1 to 100)**

3 253. Named Plaintiffs, on behalf of themselves and all members of the
4 Class Members, re-allege and incorporate by reference all allegations previously
5 made in Paragraphs 1 through 251 above as if fully set forth herein.

6 254. Applying generally to the class in that it has common policies and
7 practices of unlawful patterns and practices of failing to meet the requirements of
8 the California and Federal laws, and the proper measure of damages sustained by
9 Class Members and the restitution owed to them.

10 255. An actual controversy has arisen between named Plaintiffs and the
11 Class members on the one hand, and Defendants on the other, as to their respective
12 rights, remedies and obligations with regard to Defendants' unlawful conduct, as
13 alleged herein.

14 256. Accordingly, injunctive and declaratory relief is appropriate for the
15 Class as a whole. Named Plaintiffs therefore seeks a declaratory judgment as to the
16 respective rights, remedies, and obligations of the parties.

17 **PRAYER**

18 **WHEREFORE**, Named Plaintiffs NANCY WU, SHI HWA YUAN,
19 ARLENE CHANG, and FANG FANG HO, for themselves and on behalf of all
20 other similarity situated, pray for judgment against Defendants in their favor and
21 that they be given the following relief:

22 1. Certification of this action as a class action on behalf of the proposed
23 Class;

24 2. Designation of Named Plaintiffs NANCY WU, SHI HWA YUAN,
25 ARLENE CHANG, and FANG FANG HO, as Representatives of the Class
26 Members;

27 3. For nominal damages;

28 4. For actual and compensatory damages;

1 5. For punitive and exemplary damages;

2 6. To recover treble damages and civil penalties under the RICO Act (8
3 U.S.C. " 1964(c)), and to recover damages and other monetary relief under the
4 common law theories of unjust enrichment.

5 7. To recover to recover damages and other monetary relief under the Unfair
6 Business Practices (Business & Professions Code Sections 17200, et seq .

7 8. For an order preliminarily and permanently restraining Defendants from
8 engaging in the aforementioned violations enjoining JENUESSE Defendants from
9 paying its Distributors recruiting rewards that are unrelated to retail sales to end
10 users and from further unfair, unlawful, fraudulent and/or deceptive acts;

11 9. For voiding the agreements upon which the scheme is based, and recovery
12 of all consideration paid pursuant to the participants pursuant to the scheme;

13 10. For disgorgement of profits from the unfair and unlawful business
14 practices of Defendants and restitution of all monies and benefits which were
15 unlawfully withheld, and for such orders or judgments, including the appointment
16 of a receiver, as may be necessary to restore to Plaintiffs any money or property
17 which may have been acquired by means of unlawful or unfair business acts and
18 practices;

19 11. For an award of attorneys' fees, expenses, expert fees and costs incurred
20 by plaintiffs in vindicating their rights including fees;

21 12. For appropriate and equitable relief; and

22 13. For all such other and further relief that the Court may deem just and
23 proper.

24
25 Dated: October 12, 2017

LAW OFFICES OF TOM C. TSAY, INC.

26
27 /s/

28 By: Helen W. Quan, Attorneys for Plaintiffs
NANCY WU, SHI HWA YUAN, ARLENE

CHANG, and FANG FANG HO

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JURY TRIAL DEMANDED

Named Plaintiffs hereby demand a jury trial on all causes of action and claims with respect to which they have a right to jury trial.

Dated: October 12, 2017

LAW OFFICES OF TOM C. TSAY, INC.

 /s/

By: Helen W. Quan, Attorneys for Plaintiffs
NANCY WU, SHI HWA YUAN, ARLENE
CHANG, and FANG FANG HO