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23 **UNITED STATES DISTRICT COURT**  
24 **CENTRAL DISTRICT OF CALIFORNIA**

25 **FEDERAL TRADE COMMISSION,**

26 Plaintiff,

27 v.

28 **APEX CAPITAL GROUP, LLC, a**  
Wyoming limited liability company,

**CAPSTONE CAPITAL SOLUTIONS**

Case No. 2:18-cv-9573-JFW(JPR)

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

1 **LIMITED**, a United Kingdom limited  
2 company,

3 **CLIK TRIX LIMITED**, a United  
4 Kingdom limited company,

5 **EMPIRE PARTNERS LIMITED**, a  
6 United Kingdom limited company,

7 **INTERZOOM CAPITAL LIMITED**, a  
8 United Kingdom limited company,

9 **LEAD BLAST LIMITED**, a United  
10 Kingdom limited company,

11 **MOUNTAIN VENTURE SOLUTIONS**  
12 **LIMITED**, a United Kingdom limited  
13 company,

14 **NUTRA GLOBAL LIMITED**, a United  
15 Kingdom limited company,

16 **OMNI GROUP LIMITED**, a United  
17 Kingdom limited company,

18 **RENDEZVOUS IT LIMITED**, a United  
19 Kingdom limited company,

20 **SKY BLUE MEDIA LIMITED**, a United  
21 Kingdom limited company,

22 **TACTIC SOLUTIONS LIMITED**, a  
23 United Kingdom limited company,

24 **PHILLIP PEIKOS**, individually, and as an  
25 officer of APEX CAPITAL GROUP, LLC,

26 **DAVID BARNETT**, individually, and as  
27 an officer of APEX CAPITAL GROUP,  
28 LLC,

1 **MARK MOSKVINS**, individually, and as  
2 an owner and officer of SIA TRANSACT  
3 PRO,

4 and

5 **SIA TRANSACT PRO**, a Latvian limited  
6 liability company;

7  
8 Defendants.

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

10 1. The FTC brings this action under Sections 13(b) and 19 of the Federal  
11 Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 53(b) and 57b, Section 5 of the  
12 Restore Online Shoppers’ Confidence Act (“ROSCA”), 15 U.S.C. § 8404, and  
13 Section 918(c) of the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C.  
14 § 1693o(c), to obtain temporary, preliminary, and permanent injunctive relief,  
15 rescission or reformation of contracts, restitution, the refund of monies paid,  
16 disgorgement of ill-gotten monies, and other equitable relief for Defendants’ acts  
17 or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), Section  
18 4 of ROSCA, 15 U.S.C. § 8403, Section 907(a) of EFTA, 15 U.S.C. § 1693e(a),  
19 and Section 1005.10(b) of Regulation E, 12 C.F.R. § 1005.10(b).

20 **JURISDICTION AND VENUE**

21 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C.  
22 §§ 1331, 1337(a) and 1345, 15 U.S.C. §§ 45(a), 53(b), and 57b; and Section 5(a) of  
23 ROSCA, 15 U.S.C. § 8404(a).

24 3. Venue is proper in this district under 28 U.S.C. §§ 1391(b)(1), (b)(2),  
25 (c)(1), and (c)(3), and 15 U.S.C. §§ 53(b) and 57b.  
26  
27  
28

## SUMMARY OF THE CASE

1  
2           4.       Since early 2014, Defendants Phillip Peikos and David Barnett have  
3 operated an online subscription scam through several interrelated entities they  
4 control, including Apex Capital Group, LLC, Omni Group Limited, Capstone  
5 Capital Solutions Limited, Empire Partners Limited, Interzoom Capital Limited,  
6 Lead Blast Limited, Mountain Venture Solutions Limited, Nutra Global Limited,  
7 Omni Group Limited, Rendezvous IT Limited, Sky Blue Media Limited, Tactic  
8 Solutions Limited (altogether, and along with Defendants Peikos and Barnett, the  
9 “Apex Defendants”). The Apex Defendants market and sell over the Internet more  
10 than 50 different products, mainly personal care products and dietary supplements  
11 that allegedly promote weight loss, hair growth, clear skin, muscle development,  
12 sexual performance, and cognitive abilities. The Apex Defendants claim to offer  
13 “free” trials of these products for just the cost of shipping and handling, typically  
14 \$4.95. In fact, the Apex Defendants charge consumers’ credit and debit cards the  
15 full price of the products – approximately \$90 – approximately two weeks after  
16 consumers order the trials. The Apex Defendants also enroll consumers, without  
17 their knowledge or consent, in continuity programs, shipping them additional  
18 supplies of the products and charging them about \$90 on a monthly basis. The  
19 Apex Defendants frequently also charge consumers for supposedly complementary  
20 products and enroll consumers in continuity programs related to these secondary  
21 products, without consumers’ knowledge or consent. The Apex Defendants have  
22 taken tens of millions of dollars from consumers through this deceptive conduct.

23           5.       To further this scheme, the Apex Defendants have used dozens of  
24 shell companies and straw owners (referred to as “nominees” or “signors”) to  
25 obtain merchant accounts needed to accept consumers’ credit and debit card  
26 payments. This practice of processing credit card transactions through other  
27 companies’ merchant accounts is known as “credit card laundering,” and it is an  
28 unlawful practice used by fraudulent merchants to circumvent credit card

1 associations' monitoring programs and avoid detection by consumers and law  
2 enforcement.

3 6. The Apex Defendants engaged in credit card laundering with  
4 Defendants Transact Pro and Mark Moskvins (referred to herein as the "Transact  
5 Pro Defendants"), who approved and maintained numerous nominee offshore  
6 merchant accounts for this subscription scam. The Transact Pro Defendants  
7 manipulated chargeback levels to circumvent card network rules and transaction  
8 monitoring designed to prevent fraud. The Transact Pro Defendants processed  
9 approximately forty million dollars of consumers' money through the laundered  
10 merchant accounts.

11 **PLAINTIFF**

12 7. The FTC is an independent agency of the United States Government  
13 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC  
14 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or  
15 affecting commerce. The FTC also enforces ROSCA, 15 U.S.C. §§ 8401-8405,  
16 which prohibits merchants from selling goods or services on the Internet through  
17 negative option marketing without meeting certain requirements to protect  
18 consumers. A negative option is an offer in which the seller treats a consumer's  
19 silence as consent to be charged for goods or services. Additionally, the FTC  
20 enforces the EFTA, 15 U.S.C. § 1693 *et seq.*, which regulates the rights, liabilities,  
21 and responsibilities of participants in electronic fund transfer systems.

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

1 **DEFENDANTS**

2 9. Defendant **Apex Capital Group, LLC** (“Apex Capital Group”) is a  
3 Wyoming limited liability company which has had business addresses at 31280  
4 Oak Crest Drive, Suite 5, Westlake Village, California 91361; 690 S Highway 89,  
5 Suite 200, Jackson, Wyoming 83001; 8306 Wilshire Boulevard No. 1669, Beverly  
6 Hills, CA 90211; and 21300 Victory Boulevard, Ste. 740, Woodland Hills, CA  
7 91367. At all times material to this Complaint, acting alone or in concert with  
8 others, Apex Capital Group has advertised, marketed, distributed, or sold products  
9 to consumers throughout the United States. Apex Capital Group transacts or has  
10 transacted business in this district and throughout the United States.

11 10. **Omni Group Limited** is a United Kingdom limited company. In its  
12 corporate filings, it initially provided as an office address the address of a  
13 residential property located in Bedford, United Kingdom, and later changed its  
14 address to that of a virtual office in London, United Kingdom. Dozens of other  
15 limited companies within the control of Apex Capital Group, Phillip Peikos, and  
16 David Barnett, including all of the companies listed in Paragraphs 11-20, provided  
17 one or both of the same addresses in their corporate filings. When Omni Group  
18 Limited was incorporated on July 28, 2015, its proposed directors and shareholders  
19 were Phillip Peikos and David Barnett. David Barnett transferred his shares to  
20 Phillip Peikos in late 2017, and Peikos is now the sole shareholder of Omni Group  
21 Limited. Omni Group Limited is or has been the sole or controlling shareholder of  
22 at least twenty limited entities, including the companies listed in Paragraphs 11-  
23 20. Many of these companies sold products to U.S. consumers and distributed the  
24 sales proceeds to Apex Capital Group, Phillip Peikos, and David Barnett. Omni  
25 Group Limited has also transferred millions of dollars from its own bank account  
26 to Apex Capital Group.

27 11. **Capstone Capital Solutions Limited** is a United Kingdom limited  
28 company. In its corporate filings, it initially provided as an office address the

1 address of a residential property located in Bedford, United Kingdom, and later  
2 changed its address to that of a virtual office in London, United Kingdom. Its  
3 director, as listed in its corporate filings, is a U.S. resident. Its sole shareholder is  
4 Omni Group Limited, which is owned by Phillip Peikos, who resides in the United  
5 States. At times material to this Complaint, Apex Capital Group, Phillip Peikos,  
6 and David Barnett have used Capstone Capital Solutions Limited to sell products  
7 to U.S.-based consumers, to debit U.S. consumers' credit cards and financial  
8 accounts, to open merchant accounts through which these charges are processed,  
9 and to distribute the sales proceeds to Apex Capital Group, Phillip Peikos, and  
10 David Barnett. At least nine merchant accounts have been established at  
11 Defendant Transact Pro in the name of Capstone Capital Solutions Limited to  
12 process payments for online sales of products to consumers in the United States.

13       12. **Clik Trix Limited** is a United Kingdom limited company. In its  
14 corporate filings, it initially provided as an office address the address of a  
15 residential property located in Bedford, United Kingdom, and later changed its  
16 address to that of a different residential property located in London, United  
17 Kingdom. Its controlling shareholder is Omni Group Limited, which is owned by  
18 Phillip Peikos, who resides in the United States. At times material to this  
19 Complaint, Apex Capital Group, Phillip Peikos, and David Barnett have used Clik  
20 Trix Limited to sell products to U.S.-based consumers, to debit U.S. consumers'  
21 credit cards and financial accounts, to open merchant accounts through which these  
22 charges are processed, and to distribute the sales proceeds to Apex Capital Group,  
23 Phillip Peikos, and David Barnett. At least one merchant account has been  
24 established at Defendant Transact Pro in the name of Clik Trix Limited to process  
25 payments for online sales of products to consumers in the United States.

26       13. **Empire Partners Limited** is a United Kingdom limited company. In  
27 its corporate filings, it initially provided as an office address the address of a  
28 residential property located in Bedford, United Kingdom, and later changed its

1 address to that of a different residential property located in London, United  
2 Kingdom. Its director, as listed in its corporate filings, is a U.S. resident. Its  
3 controlling shareholder is Omni Group Limited, which is owned by Phillip Peikos,  
4 who resides in the United States. At times material to this Complaint, Apex  
5 Capital Group, Phillip Peikos, and David Barnett have used Empire Partners  
6 Limited to sell products to U.S.-based consumers, to debit U.S. consumers' credit  
7 cards and financial accounts, to open merchant accounts through which these  
8 charges are processed, and to distribute the sales proceeds to Apex Capital Group,  
9 Phillip Peikos, and David Barnett. At least seven merchant accounts have been  
10 established at Defendant Transact Pro in the name of Empire Partners Limited to  
11 process payments for online sales of products to consumers in the United States.

12       14. **Interzoom Capital Limited** is a United Kingdom limited company.  
13 In its corporate filings, it initially provided as an office address the address of a  
14 residential property located in Bedford, United Kingdom, and later changed its  
15 address to that of a different residential property located in London, United  
16 Kingdom. Its director, as listed in its corporate filings, is a U.S. resident. Its  
17 controlling shareholder is Omni Group Limited, which is owned by Phillip Peikos,  
18 who resides in the United States. At times material to this Complaint, Apex  
19 Capital Group, Phillip Peikos, and David Barnett have used Interzoom Capital  
20 Solutions Limited to sell products to U.S.-based consumers, to debit U.S.  
21 consumers' credit cards and financial accounts, to open merchant accounts through  
22 which these charges are processed, and to distribute the sales proceeds to Apex  
23 Capital Group, Phillip Peikos, and David Barnett. At least six merchant accounts  
24 have been established at Defendant Transact Pro in the name of Interzoom Capital  
25 Limited to process payments for online sales of products to consumers in the  
26 United States.

27       15. **Lead Blast Limited** is a United Kingdom limited company. In its  
28 corporate filings, it initially provided as an office address the address of a



1 residential property located in Bedford, United Kingdom, and later changed its  
2 address to that of a virtual office in London, United Kingdom. Its director, as  
3 listed in its corporate filings, is a U.S. resident. Its sole shareholder is Omni Group  
4 Limited, which is owned by Phillip Peikos, who resides in the United States. At  
5 times material to this Complaint, Apex Capital Group, Phillip Peikos, and David  
6 Barnett have used Lead Blast Limited to sell products to U.S.-based consumers, to  
7 debit U.S. consumers' credit cards and financial accounts, to open merchant  
8 accounts through which these charges are processed, and to distribute the sales  
9 proceeds to Apex Capital Group, Phillip Peikos, and David Barnett. At least one  
10 merchant account has been established at Defendant Transact Pro in the name of  
11 Lead Blast Limited to process payments for online sales of products to consumers  
12 in the United States.

13       16. **Mountain Venture Solutions Limited** is a United Kingdom limited  
14 company. In its corporate filings, it initially provided as an office address the  
15 address of a residential property located in Bedford, United Kingdom, and later  
16 changed its address to that of a virtual office in London, United Kingdom. Its  
17 director, as listed in its corporate filings, is a U.S. resident. Its sole shareholder is  
18 Omni Group Limited, which is owned by Phillip Peikos, who resides in the United  
19 States. At times material to this Complaint, Apex Capital Group, Phillip Peikos,  
20 and David Barnett have used Mountain Venture Solutions Limited to sell products  
21 to U.S.-based consumers, to debit U.S. consumers' credit cards and financial  
22 accounts, to open merchant accounts through which these charges are processed,  
23 and to distribute the sales proceeds to Apex Capital Group, Phillip Peikos, and  
24 David Barnett. At least eight merchant accounts have been established at  
25 Defendant Transact Pro in the name of Mountain Venture Solutions Limited to  
26 process payments for online sales of products to consumers in the United States.

27       17. **Nutra Global Limited** is a United Kingdom limited company. In its  
28 corporate filings, it initially provided as an office address the address of a

1 residential property located in Bedford, United Kingdom, and later changed its  
2 address to that of a virtual office in London, United Kingdom. Its director, as  
3 listed in its corporate filings, is a U.S. resident. Its sole shareholder is Omni Group  
4 Limited, which is owned by Phillip Peikos, who resides in the United States. At  
5 times material to this Complaint, Apex Capital Group, Phillip Peikos, and David  
6 Barnett have used Nutra Global Limited to sell products to U.S.-based consumers,  
7 to debit U.S. consumers' credit cards and financial accounts, to open merchant  
8 accounts through which these charges are processed, and to distribute the sales  
9 proceeds to Apex Capital Group, Phillip Peikos, and David Barnett. At least one  
10 merchant account has been established at Defendant Transact Pro in the name of  
11 Nutra Global Limited to process payments for online sales of products to  
12 consumers in the United States.

13       18. **Rendezvous IT Limited** is a United Kingdom limited company. In  
14 its corporate filings, it initially provided as an office address the address of a  
15 residential property located in Bedford, United Kingdom, and later changed its  
16 address to that of a virtual office in London, United Kingdom. Its sole shareholder  
17 is Omni Group Limited, which is owned by Phillip Peikos, who resides in the  
18 United States. At times material to this Complaint, Apex Capital Group, Phillip  
19 Peikos, and David Barnett have used Rendezvous IT Limited to sell products to  
20 U.S.-based consumers, to debit U.S. consumers' credit cards and financial  
21 accounts, to open merchant accounts through which these charges are processed,  
22 and to distribute the sales proceeds to Apex Capital Group, Phillip Peikos, and  
23 David Barnett. At least one merchant account has been established at Defendant  
24 Transact Pro in the name of Rendezvous IT Limited to process payments for online  
25 sales of products to consumers in the United States.

26       19. **Sky Blue Media Limited** is a United Kingdom limited company. In  
27 its corporate filings, it initially provided as an office address the address of a  
28 residential property located in Bedford, United Kingdom, and later changed its

1 address to that of a different residential property located in London, United  
2 Kingdom. Its controlling shareholder is Omni Group Limited, which is owned by  
3 Phillip Peikos who resides in the United States. At times material to this  
4 Complaint, Apex Capital Group, Phillip Peikos, and David Barnett have used Sky  
5 Blue Media Limited to sell products to U.S.-based consumers, to debit U.S.  
6 consumers' credit cards and financial accounts, to open merchant accounts through  
7 which these charges are processed, and to distribute the sales proceeds to Apex  
8 Capital Group, Phillip Peikos, and David Barnett. At least eight merchant accounts  
9 have been established at Defendant Transact Pro in the name of Sky Blue Media  
10 Limited to process payments for online sales of products to consumers in the  
11 United States.

12       20. **Tactic Solutions Limited** is a United Kingdom limited company. In  
13 its corporate filings, it initially provided as an office address the address of a  
14 residential property located in Bedford, United Kingdom, and later changed its  
15 address to that of a different residential property located in London, United  
16 Kingdom. Its director, as listed in its corporate filings, is a U.S. resident. Its  
17 controlling shareholder is Omni Group Limited, which is owned by Phillip Peikos,  
18 who resides in the United States. At times material to this Complaint, Apex  
19 Capital Group, Phillip Peikos, and David Barnett have used Tactic Solutions  
20 Limited to sell products to U.S.-based consumers, to debit U.S. consumers' credit  
21 cards and financial accounts, to open merchant accounts through which these  
22 charges are processed, and to distribute the sales proceeds to Apex Capital Group,  
23 Phillip Peikos, and David Barnett. At least eight merchant accounts have been  
24 established at Defendant Transact Pro in the name of Tactic Solutions Limited to  
25 process payments for online sales of products to consumers in the United States.

26       21. Capstone Capital Solutions Limited, Klik Trix Limited, Lead Blast  
27 Limited, Empire Partners Limited, Interzoom Capital Limited, Mountain Venture  
28 Solutions Limited, Nutra Global Limited, Rendezvous IT Limited, Sky Blue Media

1 Limited, and Tactic Solutions Limited, are collectively referred to herein as the  
2 “UK Corporate Defendants.”

3 22. Defendant **Phillip Peikos** (“Peikos”) resides in Westlake Village,  
4 California. He is the Chief Executive Officer and co-owner of Apex Capital  
5 Group and the sole shareholder and director of Omni Group Limited, which is the  
6 sole or controlling shareholder of all of the UK Corporate Defendants. At all times  
7 material to this Complaint, acting alone or in concert with others, he has  
8 formulated, directed, controlled, had the authority to control, or participated in the  
9 acts and practices of Apex Capital Group, Omni Group Limited, and the UK  
10 Corporate Defendants, including the acts and practices set forth in this Complaint.  
11 Defendant Peikos resides in this district and, in connection with the matters alleged  
12 herein, transacts or has transacted business in this district and throughout the  
13 United States.

14 23. Defendant **David Barnett** (“Barnett”) is a California resident. He  
15 was the Chief Operating Officer of Apex Capital Group. He was a co-owner of  
16 Apex Capital Group until at least late 2017. He was also an owner and director of  
17 Omni Group Limited until November 2017, when he transferred his shares to  
18 Peikos. At times material to this Complaint, acting alone or in concert with others,  
19 he formulated, directed, controlled, had the authority to control, or participated in  
20 the acts and practices of Apex Capital Group, Omni Group Limited, and the UK  
21 Corporate Defendants, including the acts and practices set forth in this Complaint.  
22 Defendant Barnett resides in California and, in connection with the matters alleged  
23 herein, transacts or has transacted business in this district and throughout the  
24 United States.

25 24. **SIA Transact Pro** (“Transact Pro”) is an electronic money institution  
26 registered with the Enterprise Register of the Republic of Latvia, with a registered  
27 address in Riga, Latvia. Transact Pro is a principal member of MasterCard  
28 International and Visa Europe. Transact Pro provides payment processing

1 services, checking accounts, corporate credit cards, and corporate formation  
2 services to merchants. Transact Pro’s owner and Chief Executive Officer,  
3 Defendant Mark Moskvins, is a U.S. resident, who conducted business on behalf of  
4 Transact Pro while in the United States.

5 25. Between 2015 and 2018, Transact Pro set up numerous merchant  
6 accounts in the names of the UK Corporate Defendants with two Latvian banks,  
7 JSC Rietumu Banka and Baltikums Bank AS (the “Latvian Banks”), knowing that  
8 Apex Capital Group and Defendants Peikos and Barnett were the beneficiaries, and  
9 that Apex Capital Group and Defendants Peikos and Barnett were U.S. residents.  
10 Indeed, Transact Pro regularly targeted as clients U.S.-based merchants, such as  
11 Apex Capital Group. For example, Transact Pro sent representatives to, and hosted  
12 a party at, a digital marketing conference in San Francisco, California in 2014,  
13 attended by numerous existing and potential clients. Transact Pro also entered into  
14 a referral agreement with a company called Triangle Holdings Limited (“Triangle  
15 Holdings”), which provided customer relationship management services mainly to  
16 U.S. merchants. Triangle Holdings, which is part of an enterprise recently sued by  
17 the FTC, agreed to refer its merchant clients to Transact Pro for payment  
18 processing services in exchange for a commission. In communications with  
19 Triangle Holdings, Transact Pro offered to create European shell companies for  
20 those merchants that did not already have European corporate entities.

21 26. Transact Pro not only targeted U.S. merchants as clients, but it also  
22 intentionally set up numerous merchant accounts to process payments in U.S.  
23 dollars, allowing those clients to sell their products to U.S. consumers. Between  
24 2015 and 2018, Transact Pro arranged for at least 50 merchant accounts to process  
25 payments in U.S. dollars for the benefit of Apex Capital Group and Defendants  
26 Peikos and Barnett. Transact Pro knew that these dollar-denominated merchant  
27 accounts would be used, and that they were in fact used, to debit the credit cards  
28 and financial accounts of U.S. consumers. Millions of dollars of these funds were

1 ultimately transferred back to Apex Capital Group’s U.S. bank account, and from  
2 there disbursed to Defendants Peikos and Barnett. No American financial  
3 authority regulates SIA Transact Pro and it has no U.S. branches.

4 27. **Mark Moskvins** (“Moskvins”) is a Florida resident. He is an owner  
5 and Chief Executive Officer of Transact Pro. At all times material to this  
6 Complaint, acting alone or in concert with others, he has formulated, directed,  
7 controlled, had the authority to control, or participated in the acts and practices of  
8 Transact Pro, including the acts and practices set forth in this Complaint.  
9 Defendant Moskvins, in connection with the matters alleged herein, transacts or  
10 has transacted business in this district and throughout the United States.

11 **COMMON ENTERPRISE**

12 28. Defendant Apex Capital Group, Omni Group Limited, and the UK  
13 Corporate Defendants have operated as a common enterprise while engaging in the  
14 deceptive and unfair acts and practices, and other violations of law, alleged below.  
15 They have conducted the business practices described below through an  
16 interrelated, international network of dozens of shell companies that have common  
17 ownership, officers, managers, business functions and practices, and office  
18 locations (together, the “Apex Operation”). The companies regularly transfer  
19 funds among their corporate bank accounts, ultimately funneling money into a  
20 single, centralized account at Citibank, N.A. (the “Apex Citi Account”), from  
21 which the Apex Operation’s expenses are withdrawn and funds distributed to  
22 Defendants Peikos and Barnett.

23 29. Because Apex Capital Group, Omni Group Limited, and the UK  
24 Corporate Defendants operate with the other entities in the Apex Operation as a  
25 common enterprise, each of them is jointly and severally liable for the acts and  
26 practices alleged below.



1 **COMMERCE**

2 35. At all times material to this Complaint, Defendants have maintained a  
3 substantial course of trade in or affecting commerce, as “commerce” is defined in  
4 Section 4 of the FTC Act, 15 U.S.C. § 44.

5 **THE APEX DEFENDANTS’ BUSINESS ACTIVITIES**

6 ***I. The Apex Operation’s Subscription Scam***

7 ***A. The Corporate Network***

8 36. Through the Apex Operation, the Apex Defendants have marketed  
9 and sold more than 50 different products, most of which allegedly promote weight  
10 loss, hair growth, clear skin, muscle development, sexual performance, and  
11 cognitive abilities. The Apex Operation began in early 2014, when Defendants  
12 Peikos and Barnett used Apex Capital Group, the main operating company, and  
13 other entities to receive payments from consumers for these products. Consumer  
14 funds are funneled through other entities’ bank accounts into the Apex Citi  
15 Account, Apex Capital Group’s main bank account. Defendants Peikos and  
16 Barnett have been co-signatories on the Apex Citi Account, from which they have  
17 received millions of dollars.

18 37. Defendants Peikos and Barnett formed, or caused to be formed, at  
19 least 32 limited liability companies in Wyoming between August 2013 and March  
20 2016 (the “Wyoming Companies”) to obtain merchant accounts in the United  
21 States that would allow them to debit consumers’ credit cards and financial  
22 accounts. The Wyoming Companies do not conduct any business and have had no  
23 employees. They are listed in Exhibit A to this Complaint.

24 38. In order to obtain merchant accounts in the name of the Wyoming  
25 Companies, Defendants Peikos and Barnett caused merchant account applications  
26 to be submitted to payment processing entities that listed individual signors as the  
27 principal owners of the companies. At least thirteen individuals who are California  
28 residents (some of whom were relatives or neighbors of an Apex Capital Group



1 employee) were used by Defendants Peikos and Barnett as signors on these  
2 merchant applications. The signors received a monthly “commission” payment of  
3 approximately \$1,000 from the Apex Citi Account. Other than acting as signors on  
4 the merchant applications, these individuals did not engage in any business  
5 functions on behalf of the Wyoming Companies.

6 39. From early 2014 through at least mid-2015, Defendants Peikos and  
7 Barnett used merchant accounts in the names of certain of the Wyoming  
8 Companies to process consumers’ payments for purported weight-loss and skin  
9 care products under brand names such as Authentic Yacon, Original Garcinia,  
10 Dermanique, Lumera, Juveliere, and Rejuvius.

11 40. By the middle of 2015, Defendants Peikos and Barnett had begun to  
12 use merchant accounts in the names of certain of the Wyoming Companies to  
13 process consumer payments for online sales of purported sexual performance,  
14 muscle-building, hair-growth, and cognitive enhancement products under brand  
15 names such as Evermax, Celexas, Virility X3, TestoXR, Follicure, and NeuroXR.

16 41. The funds from sales processed through certain of the Wyoming  
17 Companies’ merchant accounts were deposited into bank accounts in the names of  
18 those companies and then transferred, either directly or through intermediary  
19 accounts, to the Apex Citi Account.

20 42. Beginning in July 2014, Defendants Peikos and Barnett also formed,  
21 or caused to be formed, at least 37 limited companies in the United Kingdom,  
22 including the UK Corporate Defendants (altogether, the “UK Companies”). These  
23 companies were formed to obtain merchant accounts offshore in order to debit U.S.  
24 consumers’ credit cards and financial accounts held in the U.S. and to process  
25 payments made by U.S. consumers for products marketed and sold by the Apex  
26 Operation. The UK Companies are listed in Exhibit B to this Complaint.

1           43. In many instances, the individuals named as directors of the UK  
2 Companies are the same California residents used as signors on merchant account  
3 applications submitted in the name of the Wyoming Companies.

4           44. Apex Capital Group and Defendants Peikos and Barnett used the UK  
5 Corporate Defendants to open at least fifty merchant accounts at Transact Pro.  
6 These merchant accounts were used to process payments from U.S. consumers'  
7 credit cards and financial accounts related to their purchases of the Apex  
8 Defendants' products, including Biogenic XR, Evermax, and Virility X3.

9           45. From May 2015 through 2017, offshore bank accounts associated with  
10 the UK Corporate Defendants and Omni Group Limited transferred approximately  
11 twelve million dollars to Apex Capital Group.

12           *B. The Apex Operation's Deceptive Trial Offers*

13           46. The Apex Defendants have registered more than one thousand  
14 websites, many of which they use or have used to market and sell their products.  
15 The websites' addresses have both US and UK domains (*i.e.* .com and .co.uk),  
16 including for instance trybiogenic.com, eliteprosup.com, follicurehair.com,  
17 tryneuroxr.com, healthshop1.com, tryevermax.com, virilitydirect.com,  
18 bestcelex.co.uk, biogenicxrictd.co.uk, and interzoom.co.uk.

19           47. Many of these websites purport to offer "free" or "risk free" trials of  
20 the products that include a negative option feature that is either not disclosed or is  
21 poorly disclosed in a manner that is neither clear nor conspicuous. Consumers,  
22 without their informed consent, are then charged for products that are shipped to  
23 them each month until they take action to cancel and, sometimes, even after  
24 cancelling. These websites include: biogenicxr.com, celexas.com,  
25 tryevermax.com, and tryneuroxr.com.

26           48. The Apex Defendants obtain consumers' credit or debit card  
27 information by enticing them to sign up for supposedly "free" or "risk-free" trials  
28 of the products with the only charge being a shipping and handling fee (typically

1 \$4.95). At the initial time of purchase, the consumer is charged \$4.95, and she is  
2 shipped a full month's supply of the product. Approximately two weeks later, if  
3 the consumer has not affirmatively cancelled her order and returned the product,  
4 her credit or debit card is charged the full price of the product (typically about  
5 \$90). Each month thereafter, the consumer is shipped a month's supply of the  
6 product, and is charged about \$90, until she calls to cancel. Cancellation, as  
7 described below, is a difficult and time-consuming process. Some consumers  
8 continue to be charged even after they cancel.

9 49. The Apex Defendants market the products online through a variety of  
10 means, including advertisements hosted on third-party websites, purported Internet  
11 surveys and contests, social media advertisements, email, and search engine  
12 advertisements, such as Google Ads. In numerous instances, these advertisements  
13 claim to offer a "FREE BOTTLE" or a "RISK FREE" TRIAL and promise  
14 "SATISFACTION GUARANTEED 100%."

15 50. For example, the following advertisement for the Apex Defendants'  
16 purported memory-boosting product, NeuroXR, promises consumers a "free one  
17 month supply of NeuroXR" if they click on the prominent link to "GET YOUR  
18 FREE BOTTLE."

The advertisement features a red banner at the top with a warning icon and the text: "Update: Limited free bottles are still available as of Tuesday, October 17, 2017." Below this, the headline reads: "Boost your mental performance with a free one month supply of NeuroXR\*". The central image shows two white bottles of NeuroXR with blue labels. To the right of the bottles are three green checkmark icons with the following text: "No Crashes: Hours of improved focus without side effects", "Made in the USA: FDA approved in a GMP certified lab", and "100% Safe & Natural: No fillers, preservatives or artificial ingredients". At the bottom left are two circular seals: "GMP CERTIFIED" and "100% SATISFACTION GUARANTEED". At the bottom right is a prominent orange button that says "GET YOUR FREE BOTTLE". Below the button, in smaller blue text, it says "Limited bottles are available."

1 51. Numerous advertisements promoting trial offers of the products fail to  
2 explain the material terms and conditions of the purchase, including that  
3 consumers will be charged for the full cost of the products if they do not cancel  
4 their orders within a short period of time. Similarly, numerous advertisements do  
5 not explain that consumers will be enrolled automatically in autoship programs,  
6 whereby the consumers will continue to receive, and be billed for, additional  
7 supplies of the products on a monthly basis. On the contrary, advertisements for  
8 the Apex Defendants' products claim that they are "free" or "risk free."

9 *C. The Apex Operations' Trial Offers Ordering Process*

10 52. After consumers click on links in advertisements for the Apex  
11 Defendants' products, they are transferred to webpages on the Apex Defendants'  
12 websites called "landing pages." Landing pages typically include windows for  
13 consumers to enter their contact information. Once consumers enter their contact  
14 information, they are transferred to other webpages called "order pages," where  
15 they are directed to enter their payment information.

16 53. Numerous landing pages contain claims similar to those made in the  
17 advertisements. For example, a landing page for a sexual performance product  
18 called Biogenic XR included misrepresentations that the trial would be "free" for  
19 consumers:

20 WARNING: Due to extremely high media demand, there is a limited supply of Biogenic XR™ in stock as of May 02, 2017.

21 HARDCORE ELITE FORMULA **BIOGENIC XR** | **LONGER + HARDER + STRONGER**  
STAMINA ERECTIONS PERFORMANCE

22 Medical Strength Male Enhancement  
**GET MAXIMUM SEXUAL BENEFITS**  
VIRILITY • VITALITY • VIGOR

23 **NOW AVAILABLE WITHOUT A PRESCRIPTION**

24 **Bigger & Long-Lasting Erections**  
Maximum pleasure & intensified orgasms

25 **Surge in Sex Drive & Energy**  
Ramps up stamina & staying power

26 **Increased Sexual Confidence**  
Experience vitality & peak performance

27 **CLAIM YOUR FREE TRIAL**  
NOW AVAILABLE WITHOUT A PRESCRIPTION!

28 AS SEEN ON **Doctors CNN USA Men's Health**

Where Do We Send Your **30 DAY SUPPLY**

First Name:

Last Name:

Address:

City:

State:

Zip:

Phone:

Email:

SECURE 256-BIT SSL ENCRYPTION

**RUSH MY BOTTLE**

1           54. These landing pages do not typically include clear or conspicuous  
2 disclosures explaining the terms of the trial offer. For example, a landing page on  
3 the Apex Defendants' website for NeuroXR does not include any visible  
4 disclosures about the terms and conditions of the trial offer, such as (1) that  
5 consumers would be charged the full cost of the product if they did not cancel the  
6 trial offer within a short period of time; (2) that consumers would be enrolled  
7 automatically in autoship programs, pursuant to which the Apex Defendants would  
8 send them additional products each month and would charge them accordingly  
9 until they took steps to cancel the autoship program; or (3) that the trial offer  
10 included onerous cancellation and refund policies. Instead, on this landing page,  
11 the consumer enters only his or her contact information and then, after making the  
12 determination that he or she would like to receive the trial offer, clicks a button  
13 that says, "RUSH MY TRIAL." Only if the consumer scrolls down several page  
14 lengths to the bottom of the landing page will she come across a "Terms &  
15 Conditions" link, appearing in very small font. Only by clicking on that remote  
16 link may consumers view information regarding their enrollment in continuity  
17 programs with recurring charges.

18           55. Numerous order pages where consumers enter their payment  
19 information either (i) contain inadequate disclosures of the terms of the trial offer  
20 that are not clear or conspicuous; or (ii) lack disclosures of the terms of the trial  
21 offer entirely. For example, after clicking the "RUSH MY TRIAL" button on the  
22 NeuroXR landing page, consumers are directed to an order page on the NeuroXR  
23 website where they are required to enter their billing information. On this order  
24 page, there are no visible disclosures regarding the terms of the trial offer. Again,  
25 only by clicking on the "Terms" link could consumers learn about the short trial  
26 period, the fact that they will be charged the full cost of the product at the end of  
27 the trial period, and that if they order the trial they will be enrolled in an autoship  
28 program with recurring shipments and recurring charges. The terms link is in

1 small print toward the bottom of the webpage, away from the “COMPLETE  
2 CHECKOUT” button, and overshadowed by larger text and graphics on the page:

The screenshot shows a checkout page for NeuroXR. At the top, there is a progress bar with three steps: 1. SHIPPING INFO, 2. FINISH ORDER, and 3. SUMMARY. To the right, it says "Internet Exclusive Offers Available to US Residents Only". Below the progress bar, a red banner indicates "13 others are viewing this offer right now - 05:00". Below this, it says "Current Availability: [red bar] LOW STOCK. Sell-out Risk: HIGH" and "Your order is scheduled to arrive by Oct 21, 2017". The product is NeuroXR Advanced Brain Nutrition, 1 Month Supply, priced at \$0.00. Shipping & Handling is \$4.95, and the total is \$4.95. A United States Postal Service logo is present with the text "Please allow 3-4 days for delivery". A large blue button says "CONFIRM YOUR EXCLUSIVE TRIAL NOW! LIMITED QUANTITIES AVAILABLE". On the right, the "FINAL STEP PAYMENT INFORMATION" section includes logos for MasterCard and VISA, a dropdown menu for "Visa", fields for "CC Number", "Exp. Month", "Exp. Year", and "CVV". It also features a "Secure 256 Bit Encrypted Connection" icon and a "COMPLETE CHECKOUT" button. At the bottom right, it says "MasterCard. SecureCode. Verified by VISA".

[TERMS](#) [PRIVACY](#) [CONTACT](#)

19 56. Where order pages for the Apex Defendants’ products do contain  
20 disclosures regarding the terms of the trial offer on the page itself, those  
21 disclosures typically are not clear or conspicuous. For example, one order page for  
22 Biogenic XR contains a disclosure near the middle of the page regarding  
23 enrollment in the autoship program. The disclosure appears in small type and in  
24 light-gray font against a white background. This disclosure is overshadowed by  
25 the prominent, bold “FREE TRIAL” language that is higher up on the webpage.

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COMPLETE YOUR ORDER BELOW

2. FINISH ORDER

**YOU'RE ALMOST DONE! JUST PAY FOR SHIPPING.**

BiogenicXR 30 Day Supply 14 Day Trial, No Commitments, Cancel Anytime!	<b>FREE TRIAL</b>
Shipping	<b>\$4.95</b>

Your shipment is estimated to arrive on **Sunday, February 25, 2018**

**YOUR TOTAL: \$4.95**

**CLAIM YOUR EXCLUSIVE TRIAL TODAY! >>>**

By submitting, you connect [sic] to having read and agreed to our Terms and Conditions and after your 14 day trial period has expired, being enrolled in our membership program for \$89.78 plus shipping per month. You can cancel anytime by calling 1-844-688-6199.

By submitting, you connect to having read and agreed to our Terms and Conditions and after your 14 day trial period has expired, being enrolled in our membership program for \$89.78 plus shipping per month. You can cancel anytime by calling 1-844-688-6199.

**Final Step: Payment Information**

Card Type:

Card Number:

Exp Month:  Exp Year:

CVV:

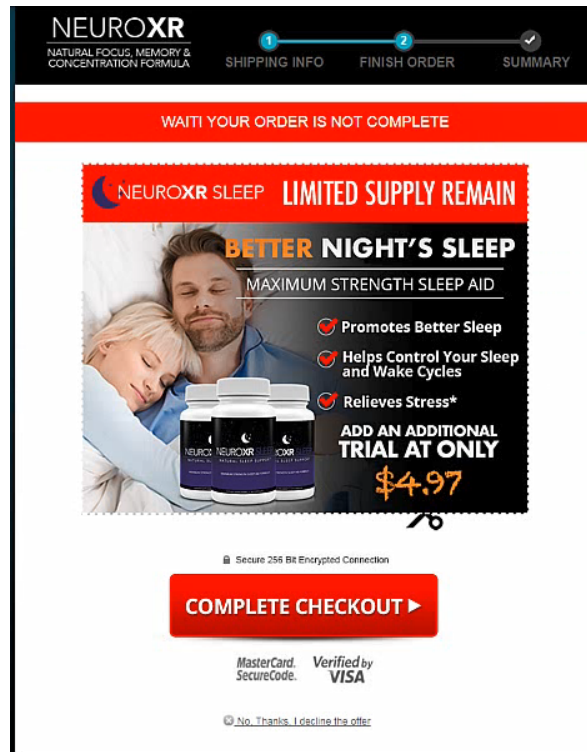
**RUSH MY ORDER**

*D. The Apex Operation's Offers for Upsell or Add-On Products*

57. After consumers enter their credit or debit card information and submit their orders to purchase trials of the Apex Defendants' products, they are often directed to webpages that invite them to sign up for a second trial of other, allegedly related products, i.e. upsell or add-on products.

58. For example, Plaintiff purchased online several of the Apex Defendants' products in the course of its investigation. After submitting payment

1 information to purchase a trial of one such product called NeuroXR, and clicking  
 2 the “COMPLETE CHECKOUT” button, a pop-up offer for a different product  
 3 called NeuroXR Sleep appeared on the screen. The pop-up contained what  
 4 appeared to be an advertisement with a perforated border in the style of a cut-out  
 5 coupon; inside the coupon the advertisement stated, “ADD AN ADDITIONAL  
 6 TRIAL AT ONLY \$4.97.” Underneath and outside of that box was a separate  
 7 button stating “COMPLETE CHECKOUT.” Below the “COMPLETE  
 8 CHECKOUT” button, in small, faint print, the Apex Defendants included a  
 9 hyperlink that consumers could click to decline the second offer.



22 59. The format of the website suggested that the “COMPLETE  
 23 CHECKOUT” button was the final step in completing the purchase of the original  
 24 NeuroXR trial. In fact, Plaintiff’s order was already complete after entering credit  
 25 card information on the previous screen. Plaintiff was enrolled in a second trial  
 26 program in which Plaintiff was shipped a second product, NeuroXR Sleep, and  
 27 was charged \$4.95 twice.



1           60. Numerous consumers who inadvertently purchase an upsell product  
2 are charged \$4.95 for each purported trial, and then about two weeks later are  
3 charged the full price of both products. Numerous consumers are enrolled in  
4 autoship programs for both products, continuing to receive shipments of both  
5 products each month until they take affirmative steps to cancel.

6           61. After consumers place orders for the Apex Defendants' products,  
7 some receive no confirmation email whatsoever; others receive a confirmation  
8 email that lists only the \$4.95 shipping and handling charge. The confirmation  
9 email thus reinforces the false impression from the websites that, other than the  
10 obligation to pay shipping and handling, the trial product is free.

11           *E. The Apex Operation's Onerous Cancellation and Refund Practices*

12           62. In numerous instances, consumers who order trials of the Apex  
13 Defendants' products report that the Apex Defendants charge them without their  
14 knowledge or consent for the full price of these products and sign them up for  
15 continuity programs. Many consumers then attempt to cancel their enrollment in  
16 the continuity programs and to obtain refunds of the Apex Defendants'  
17 unauthorized charges, but they often have difficulty cancelling and obtaining  
18 refunds.

19           63. Numerous consumers who call the Apex Defendants to cancel have a  
20 difficult time reaching customer service representatives, despite calling several  
21 times. Some consumers are placed on hold for more than an hour. Other  
22 consumers report that they were given incorrect customer service numbers. Even  
23 if they were able to reach a customer service representative to request cancellation,  
24 numerous consumers report that they continued to receive and to be charged for  
25 shipments of the Apex Defendants' products.

26           64. Consumers also encounter a range of difficulties when they attempt to  
27 obtain refunds from the Apex Defendants for the unauthorized charges. Some  
28 consumers who request refunds are told that they cannot get refunds because the

1 requests were untimely; customer service representatives report that the products’  
2 terms and conditions require refund requests to be made within 30 days of  
3 ordering. Where the refund period has not lapsed, some consumers are told they  
4 can only get a refund if the trial product is returned unopened and at the  
5 consumer’s expense. Some consumers who have attempted to return products are  
6 nonetheless told that they will not be refunded because the company allegedly  
7 never received the products. In numerous instances, moreover, consumers are  
8 provided with a return address that is not the company’s true address.

9 65. Consumers often attempt to get their money back by initiating  
10 “chargebacks” with their credit card companies. Many consumers ultimately  
11 cancel their credit or debit cards to ensure they will not be subjected to additional  
12 unauthorized charges.

## 13 ***II. The Apex Operation’s Credit Card Laundering Activities***

### 14 ***A. Background on Merchant Accounts and Credit Card Laundering***

15 66. In order to accept credit card payments from consumers, a merchant  
16 must establish a merchant account with a merchant acquiring bank or “acquirer.”  
17 A merchant account is a type of account that allows businesses to process  
18 consumer purchases by credit or debit cards.

19 67. Acquirers enter into contracts with entities known as payment  
20 processors that manage the bank’s merchant processing program. Payment  
21 processors in turn frequently enter contracts with multiple “independent sales  
22 organizations” (“ISOs”) to sign up merchants for merchant accounts with the  
23 acquirer.

24 68. The acquirer has access to the credit card associations (“card  
25 networks”), such as MasterCard and VISA. The card networks require all  
26 participants in their networks, including the acquirers and their registered ISOs, to  
27 comply with detailed rules governing the use of the card networks. These rules  
28 include screening processes and underwriting standards for merchants, to ensure

1 that they are legitimate, bona fide businesses, and to screen out merchants engaged  
2 in potentially fraudulent or illegal practices. The rules also prohibit credit card  
3 laundering, which is the practice of processing credit card transactions through  
4 another company's merchant account.

5 69. Merchants that pose a heightened risk of fraud to the card networks  
6 may be subject to closer scrutiny or may be denied merchant accounts. For  
7 example, the ISO or acquirer may be concerned that the merchant is engaged in  
8 illegal activity or will generate excessive rates of transactions returned by  
9 consumers ("chargebacks").

10 70. Consumers initiate "chargebacks" when they dispute credit card  
11 charges by contacting their "issuing bank," which is the bank that issued the credit  
12 card to the consumer. When a consumer successfully disputes the charge, the  
13 consumer's issuing bank credits the consumer's credit card for the disputed  
14 amount, and then recovers the chargeback amount from the acquirer (the  
15 merchant's bank). The acquirer, in turn, collects the chargeback amount from the  
16 merchant.

17 71. In order to detect and prevent illegal, fraudulent, or unauthorized  
18 merchant activity, the card networks operate various chargeback monitoring and  
19 fraud monitoring programs. These chargeback monitoring programs are designed  
20 to flag merchant accounts with excessive chargeback ratios or an excessive number  
21 of chargebacks. For example, if a merchant generates excessive levels of  
22 chargebacks that exceed the thresholds set under VISA's chargeback monitoring  
23 program, the merchant is subject to additional monitoring requirements and, in  
24 some cases, penalties and termination.

25 72. Credit card laundering is commonly used by fraudulent merchants  
26 who cannot meet a bank's underwriting criteria or who cannot obtain merchant  
27 accounts under their own names (whether because of excessive chargebacks,  
28 complaints, or other signs of illegal activity).

1           73. Even when fraudulent merchants can qualify for a merchant account,  
2 they may engage in laundering as a way to conceal their true identity from  
3 consumers, the card networks, and law enforcement agencies.

4           74. To conceal their identities, fraudulent merchants may create shell  
5 companies to act as fronts, and apply for merchant accounts under these shell  
6 companies. Once the merchant accounts are approved, the fraudulent merchant  
7 then launders its own transactions through the shell company's merchant accounts.

8           75. Fraudulent merchants may create multiple merchant accounts in order  
9 to maintain continued access to the card networks in the event any of the  
10 merchant's accounts are terminated.

11           76. Fraudulent merchants often generate excessive numbers and rates of  
12 chargebacks from consumers who dispute their credit card charges. To avoid  
13 triggering the card networks' chargeback monitoring programs and attracting the  
14 scrutiny of the acquirer, fraudulent merchants often spread out their sales  
15 transaction volume across multiple merchant accounts – a practice commonly  
16 referred to as “load balancing.” Load balancing allows merchants to keep the total  
17 number of chargebacks in each merchant account below a given threshold.

18           77. The card networks and acquirers also review the ratio of chargebacks  
19 to total sales in a merchant account. Fraudulent merchants can avoid scrutiny and  
20 maintain access to their merchant accounts for longer periods by keeping this ratio  
21 below a given threshold. One method used to lower this ratio involves running  
22 additional transactions that do not reflect bona fide sales to consumers through  
23 their own merchant accounts, thereby artificially increasing the total number of  
24 sales and reducing the chargeback ratio. These transactions typically have a low  
25 dollar value, such as fifty cents or one dollar, in order to keep the total cost low.  
26 This practice is often referred to in the industry as “VAP” or “microtransactions.”  
27  
28

1           *B. Apex Capital Group and Defendants Peikos and Barnett Caused the*  
2           *Laundering of Transactions Through Numerous Shell Companies' Merchant*  
3           *Accounts*

4           78. Apex Capital Group and Defendants Peikos and Barnett engaged in a  
5 scheme to apply for a large number of merchant accounts in the name of shell  
6 companies, including the UK Corporate Defendants, through which they could  
7 launder charges to consumers' credit or debit card accounts.

8           79. As part of this scheme, Apex Capital Group and Defendants Peikos  
9 and Barnett created or caused to be created numerous shell companies, including  
10 Omni Group Limited and the UK Corporate Defendants. The purported directors  
11 of the UK Corporate Defendants are all straw owners who reside in the U.S.; the  
12 UK Corporate Defendants are in fact controlled by Peikos through Omni Group  
13 Limited. Omni Group Limited and the UK Corporate Defendants participated in  
14 the scheme by allowing charges to be laundered through merchant accounts opened  
15 in the names of the UK Corporate Defendants.

16           80. During the period of May 2014 through July 2017, Apex Capital  
17 Group and Defendants Peikos and Barnett, directly or through agents acting on  
18 their behalf and for their benefit, submitted dozens of deceptive merchant  
19 applications in the name of at least thirteen domestic shell companies to multiple  
20 ISOs for their underwriting approval.

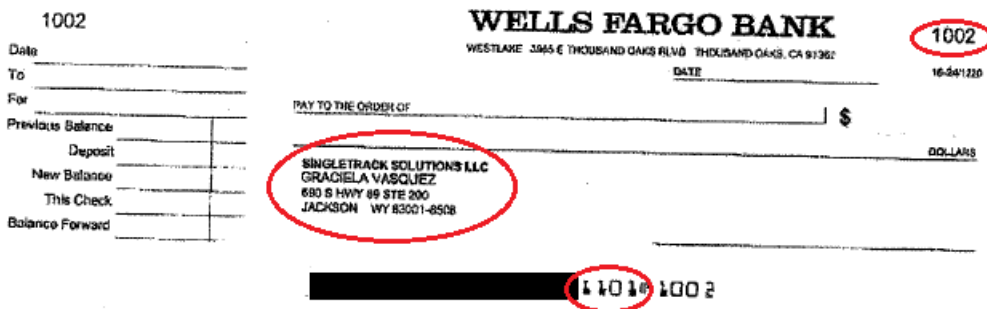
21           81. The thirteen companies include: Apres Vous Media LLC; Based  
22 Capital, LLC; Cascade Canyon, LLC; Confidential Holdings, LLC; Cornice  
23 Group, LLC; Horizon Media, LLC; Interzoom, LLC; Mountain Range Solutions,  
24 LLC; Old West Equity, LLC; Singletrack Solutions, LLC; Sky Media Group, LLC;  
25 Teton Pass, LLC; and Wyoming Freedom Group, LLC. The applications listed at  
26 least ten nominees as the purported principal owners of these shell companies.

27           82. When applying for a merchant account, merchants often submit with  
28 the applications copies of voided checks drawn on their business bank accounts,

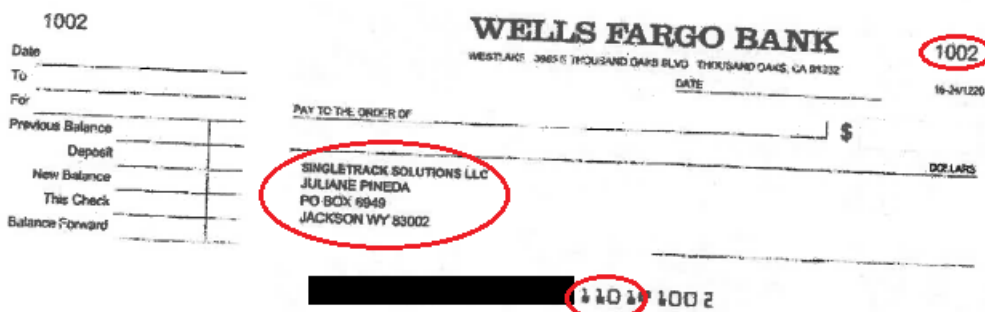
1 with the understanding that credit card sales revenues will be transferred into these  
2 accounts.

3 83. At least ten merchant applications submitted in the name of domestic  
4 shell companies included checks that reflected the existence of business bank  
5 accounts in the name of the shell companies. Each check had been altered to  
6 include the straw owner's name, even though none of the straw owners were  
7 signatories of any of the accounts. Indeed, for multiple merchant account  
8 applications, the Apex Defendants attached or caused to be attached the same  
9 check number for the same bank account with different names on it.

10 84. For example, the following check was submitted as part of an  
11 application to open a merchant account for a product called Optimal Pet:



12 While the name of straw owner Graciela Vasquez is listed on the check, a copy of  
13 a check with the same checking account and the same check number was submitted  
14 as part of a different merchant account application, for a product called Ultra, with  
15 a different straw owner, Juliana Pineda, listed on the check:  
16  
17



1           85. The two copies of checks attached to the merchant account  
2 applications were doctored. Neither Ms. Vasquez nor Ms. Pineda were signatories  
3 on the Wells Fargo account ending x1101. In fact, Defendant Peikos is a signatory  
4 on that account.

5           86. Multiple ISOs approved the merchant account applications, set up  
6 merchant accounts for each of the thirteen shell companies, and began processing  
7 payments through acquiring banks. When payments for the Apex Defendants'  
8 products were processed through the merchant accounts that the Apex Defendants  
9 secured in the names of the shell companies, the sales revenues were automatically  
10 transferred into the shell companies' Wells Fargo bank accounts. From there, the  
11 shell companies transferred consumers' money, directly or through intermediary  
12 accounts, into the Apex Citi Account.

13           87. The Apex Defendants secured more than forty merchant accounts  
14 based on these false merchant applications; nearly all of them were subsequently  
15 closed. Numerous merchant accounts were closed due to excessive chargeback  
16 levels.

17           C. *Transact Pro and Moskvins Actively Participated in the Apex*  
18 *Operation's Credit Card Laundering and Manipulation of Chargeback*  
19 *Levels*

20           88. Transact Pro provided payment processing services to the Apex  
21 Defendants. Transact Pro approved and helped open more than fifty merchant  
22 accounts for the Apex Operation with the Latvian Banks. These accounts were  
23 opened in the name of the UK Corporate Defendants, along with other shell  
24 companies, between 2015 and 2018. In this period, Transact Pro processed  
25 approximately 17.78 million pounds and 18 million U.S. dollars through the  
26 accounts, and was paid approximately 3.4 million pounds and 2.1 million dollars in  
27 fees. These fees included a percentage of the sales processed through the merchant  
28

1 accounts as well as flat fees for each chargeback. These merchant accounts were  
2 used to launder sales transactions for the Apex Operation.

3 89. The Transact Pro Defendants knew that the shell companies and  
4 nominee directors listed on the merchant account applications were not the true  
5 beneficiaries of sales made through these accounts. Although the merchant  
6 account applications included the names and contact information for the nominee  
7 directors, the Transact Pro Defendants instead communicated with Apex Capital  
8 Group employees, Defendant Peikos, and/or Defendant Barnett. The Transact Pro  
9 Defendants regularly transmitted transaction reports to Apex Capital Group  
10 employees, Defendant Peikos, and/or Defendant Barnett. The reports aggregated  
11 numerous merchant accounts issued in the names of various shell corporations that  
12 each comprised a portion of the Apex Operation.

13 90. Moreover, the Transact Pro Defendants knew at the time they  
14 received the merchant account applications that the applications listed shell  
15 corporations and nominee directors. Nonetheless, they approved the merchant  
16 accounts, helped open them, and processed consumers' payments through them.  
17 On numerous occasions, Apex Capital Group employees or Defendant Peikos  
18 transmitted groups of merchant account application packages in the names of  
19 various shell companies directly to Transact Pro for approval, typically copying  
20 Defendant Moskvins. In some instances, the merchant account application  
21 packages indicated that these accounts were for "USD MIDS" (or for U.S. sales).

22 91. Throughout 2015 to 2018, the Transact Pro Defendants caused  
23 consumers' credit or debit accounts to be charged by the Apex Operation's  
24 deceptive internet marketing scam by underwriting and approving dozens of  
25 merchant accounts, establishing merchant accounts for the Apex Operation with  
26 the Latvian Banks, and processing payments for these merchant accounts.

27 92. In the course of managing these merchant accounts for the Apex  
28 Operation, the Transact Pro Defendants received information about high



1 chargeback rates that they should have used to investigate and require corrections  
2 to the Apex Operation's deceptive marketing practices. Instead, the Transact Pro  
3 Defendants used this information to enable the Apex Operation to engage in load  
4 balancing and microtransactions, allowing them to avoid detection by the card  
5 associations or termination by the acquiring banks.

6 93. Specifically, the Transact Pro Defendants enabled load balancing by  
7 opening numerous low transaction volume merchant accounts for the purpose of  
8 spreading sales volumes for products sold by the Apex Operation across multiple  
9 merchant accounts. This conduct served to artificially reduce the chargeback  
10 levels in each account.

11 94. Defendant Peikos expressly informed the Transact Pro Defendants  
12 that he sought additional merchant accounts in order to engage in load balancing.  
13 In an email dated July 1, 2015, Defendant Peikos wrote to Defendant Moskvins,  
14 copying Defendant Barnett and others, that an Apex Capital employee would be  
15 sending applications for a number of merchant accounts, noting: "This will help us  
16 greatly spread the volumes across the board and ensure both Hard counts and ratios  
17 are in line." In another exchange, Defendant Moskvins likewise offered to  
18 Defendant Peikos to "board more corps . . . for your existing volume so to spread  
19 the traffic hence be below the [chargeback] count."

20 95. In addition, the Transact Pro Defendants caused the chargeback ratios  
21 of the Apex Operation's merchant accounts to be artificially reduced through  
22 microtransactions, which were run at times by Transact Pro itself, and at other  
23 times by the Apex Defendants. The Transact Pro Defendants sold the Apex  
24 Operation prepaid gift cards, which were used to make many thousands of  
25 individual transactions in small dollar amounts that were unlikely to result in  
26 consumer chargebacks. By running these microtransactions through the Apex  
27 Operation's merchant accounts, the Transact Pro Defendants artificially diluted the  
28 ratio of sales to chargebacks in the accounts.

1           96. The Transact Pro Defendants actively participated in effecting  
2 microtransactions in a variety of ways.

3           97. Defendant Transact Pro provided calculations of the number of  
4 microtransactions that had to be run through a given merchant account by the end  
5 of that month to ensure that the chargeback ratio would drop below a certain  
6 threshold.

7           98. Defendant Moskvins also instructed Mr. Peikos on the specific  
8 chargeback levels and ratios to achieve in order to avoid scrutiny by the acquiring  
9 banks and/or credit card associations.

10           99. In numerous instances, Defendant Moskvins instructed Transact Pro's  
11 support staff to increase a volume cap on merchant accounts in order to allow the  
12 Apex Operation to run additional microtransactions to reduce chargeback ratios.  
13 For example:

- 14           • In an email dated September 30, 2016, an Apex Capital Group  
15 employee emailed Defendant Moskvins: "Mark, We need additional  
16 volume to run more VAP, can you please approve an additional 2k per  
17 [merchant account] ASAP to hit our marks." Defendant Moskvins  
18 replied, copying Transact Pro's support team, "Support: pls do."
- 19           • On January 27, 2017, an employee of Apex Capital Group emailed  
20 Defendant Moskvins and Transact Pro's support team: "We need to  
21 run VAP to these [merchant accounts] and are having issues. . . . This  
22 one is capped. Can you give us an extra 10K to run VAP?"  
23 Defendant Moskvins replied, "Yes, for vap."
- 24           • On February 22, 2017, an employee of Apex Capital Group emailed  
25 Defendant Moskvins: "Mark, we need every single [merchant  
26 account] increased by 5k to run VAP successfully." Defendant  
27 Moskvins responded, "Yes if it is vap no prob."
- 28

1           100. In still other instances, Defendant Moskvins directed Transact Pro to  
2 run microtransactions itself through the Apex Operation’s merchant accounts.

3           101. Up until the time the Complaint was filed, on November 14, 2018, the  
4 Transact Pro Defendants were continuing to engage in the unlawful conduct.  
5 Many of the Transact Pro merchant accounts had been closed by the spring of  
6 2018, but some accounts remained open, receiving payments in U.S. dollars  
7 through at least September 2018. Moreover, Transact Pro was preparing to open  
8 merchant accounts for the Apex Defendants at a third bank, Decita Limited, in the  
9 fall of 2018. In an email to Defendant Peikos dated October 16, 2018, a Transact  
10 Pro employee offered to issue new merchant accounts to numerous shell  
11 companies of the Apex Operation, including Rendezvous IT, Lead Blast Limited,  
12 Nutra Global Limited, and others, using Decita Bank as the acquirer. The Transact  
13 Pro employee offered to set up the accounts such that Decita would pay out  
14 processed funds from each of the shell corporation’s merchant accounts to a single  
15 bank account held by Defendant Omni Group Limited. The Transact Pro  
16 Defendants continued these efforts to open new merchant accounts for the Apex  
17 Defendants through at least mid-November 2018.

18           102. In sum, the Transact Pro Defendants repeatedly engaged in a variety  
19 of actions to reduce the number and ratio of chargebacks in numerous merchant  
20 accounts that they knew were opened in the names of shell companies using  
21 nominee directors. These practices enabled the Apex Operation to continue  
22 charging consumer credit card and financial accounts and to avoid or delay  
23 detection by chargeback monitoring programs for an extended period.

24   **VIOLATIONS OF THE FTC ACT**

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

27           104. Misrepresentations or deceptive omissions of material fact constitute  
28 deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

1           105. Acts or practices are unfair under Section 5 of the FTC Act if they  
2 cause or are likely to cause substantial injury to consumers that consumers cannot  
3 reasonably avoid themselves and that is not outweighed by countervailing benefits  
4 to consumers or competition. 15 U.S.C. § 45(n).

5   **COUNT I**

6    ***Misrepresentations of the Price of the Trial Offers***

7    ***(Against the Apex Defendants)***

8           106. In numerous instances, in connection with the advertising, marketing,  
9 promotion, offering for sale, or sale of products the Apex Defendants have  
10 represented, directly or indirectly, expressly or by implication, that they will  
11 charge consumers at most only a shipping and handling fee for a one-time  
12 shipment of their product.

13           107. In truth and in fact, in numerous instances in which the Apex  
14 Defendants have made the representation set forth in Paragraph 106 of this  
15 Complaint, they have charged consumers more than a shipping and handling fee  
16 for one or more shipments of the Apex Defendants' product.

17           108. Therefore, the Apex Defendants' representation described in  
18 Paragraph 106 of this Complaint is false and misleading, and constitutes a  
19 deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C.  
20 § 45(a).

21   **COUNT II**

22    ***Misrepresentation that Order is Not Complete***

23    ***(Against the Apex Defendants)***

24           109. In numerous instances, in connection with the advertising, marketing,  
25 promotion, offering for sale, or sale of personal care products to consumers who  
26 have already ordered a trial of one of the Apex Defendants' products, the Apex  
27 Defendants have represented, directly or indirectly, expressly or by implication,  
28

1 that consumers' initial orders are not complete and that clicking the "COMPLETE  
2 CHECKOUT" or similar button will merely complete their initial orders.

3 110. In truth and in fact, in numerous instances in which the Apex  
4 Defendants have made the representation set forth in Paragraph 109 of this  
5 Complaint, consumers' initial orders were complete, and clicking the  
6 "COMPLETE CHECKOUT" or similar button ordered an additional product and  
7 enrolled consumers in a continuity plan for that product.

8 111. Therefore, the Apex Defendants' representation described in  
9 Paragraph 109 of this Complaint is false and misleading, and constitutes a  
10 deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C.  
11 § 45(a).

### 12 **COUNT III**

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

#### 14 *(Against the Apex Defendants)*

15 112. In numerous instances, in connection with the advertising, marketing,  
16 promotion, offering for sale, or sale of personal care products, the Apex  
17 Defendants have represented, directly or indirectly, expressly or by implication,  
18 that consumers can obtain a trial of the Apex Defendants' product for the cost of  
19 shipping and handling, or for free.

20 113. In numerous instances in which the Apex Defendants have made the  
21 representation set forth in Paragraph 112 of this Complaint, the Apex Defendants  
22 have failed to disclose, or disclose adequately to consumers, material terms and  
23 conditions of their offer, including:

- 24 (a) The total cost of the product;
- 25 (b) That the Apex Defendants will charge consumers the total cost of the  
26 product upon the expiration of the trial period, typically 14 days;
- 27 (c) That the Apex Defendants will automatically enroll consumers in a  
28 continuity plan with additional charges;

1 (d) The cost of the continuity plan, and the frequency and duration of the  
2 recurring charges; and

3 (e) The terms of the Apex Defendants’ refund policies.

4 114. The Apex Defendants’ failure to disclose, or disclose adequately, the  
5 material information described in Paragraph 113, above, in light of the  
6 representation described in Paragraph 112, above, constitutes a deceptive act or  
7 practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

8 **COUNT IV**

9 ***Unfairly Charging Consumers Without Authorization***

10 ***(Against the Apex Defendants)***

11 115. In numerous instances, the Apex Defendants have charged consumers  
12 without their express informed consent.

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

16 117. Therefore, the Apex Defendants’ practices as described in Paragraph  
17 115, above, constitute unfair acts or practices in violation of Section 5 of the FTC  
18 Act, 15 U.S.C. §§ 45(a) and 45(n).

19 **COUNT V**

20 ***Unfairly Injuring Consumers by Engaging in Credit Card Laundering***

21 ***(Against the Apex Defendants)***

22 118. In numerous instances, in connection with submitting applications to  
23 open merchant accounts to further Defendants’ online subscription scam, the Apex  
24 Defendants have engaged in credit card laundering by:

25 (a) Falsely representing, directly or through agents acting on their behalf  
26 and for their benefit, that the shell companies listed as the applicants on the  
27 merchant applications were the true merchants who were applying for merchant  
28 accounts; and/or

1 (b) Falsely representing, directly or through agents acting on their behalf  
2 and for their benefit, that the individual signors listed as the principal owners on  
3 the merchant applications were the bona fide principal owners applying for  
4 merchant accounts.

5 119. The Apex Defendants' actions caused or were likely to cause  
6 substantial injury to consumers that was not reasonably avoidable by consumers  
7 themselves and that is not outweighed by countervailing benefits to consumers or  
8 competition.

9 120. Therefore, the Apex Defendants' acts or practices, as described in  
10 Paragraph 118 above, constitute unfair acts or practices in violation of Section 5 of  
11 the FTC Act §§ 45(a) and (n).

12 **COUNT VI**

13 ***Unfairly Injuring Consumers by Engaging in Credit Card Laundering***  
14 ***(Against the Transact Pro Defendants)***

15 121. As described in Paragraphs 88-102 of this Complaint, the Transact  
16 Pro Defendants opened or maintained merchant accounts for the Apex Operation  
17 when the entities in whose names the accounts were opened were not the  
18 merchants processing payments through the accounts.

19 122. The acts or practices described in Paragraph 121, individually or in  
20 combination, caused unauthorized charges on consumers' debit and credit cards.  
21 The Transact Pro Defendants' acts or practices therefore caused consumers  
22 substantial injury that was not reasonably avoidable by consumers themselves and  
23 was not outweighed by countervailing benefits to consumers or competition.

24 123. Accordingly, the Transact Pro Defendants' acts or practices as alleged  
25 in this Complaint constitute unfair acts or practices in violation of Section 5 of the  
26 FTC Act, 15 U.S.C. §§ 45(a) and (n).

COUNT VII

*Unfairly Injuring Consumers by Evading Chargeback Monitoring Programs  
(Against the Transact Pro Defendants)*

124. As described in Paragraphs 88-102 of this Complaint, the Transact Pro Defendants instructed the Apex Operation on how to evade chargeback monitoring programs that detect and prevent fraud and unauthorized billing, and took actions designed to allow the Apex Operation’s merchant accounts to avoid such chargeback monitoring programs.

125. The acts or practices described in Paragraph 124, individually or in combination, caused unauthorized charges on consumers debit and credit cards. The Transact Pro Defendants’ acts or practices therefore caused consumers substantial injury that was not reasonably avoidable by consumers themselves and was not outweighed by countervailing benefits to consumers or competition.

126. Accordingly, the Transact Pro Defendants’ acts or practices as alleged in this Complaint constitute unfair acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. §§ 45(a) and (n).

***VIOLATIONS OF THE RESTORE ONLINE SHOPPERS’ CONFIDENCE ACT***

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

128. Section 4 of ROSCA, 15 U.S.C. § 8403, generally prohibits charging consumers for goods or services sold in transactions effected on the Internet through a negative option feature, as that term is defined in the Commission’s Telemarketing Sales Rule (“TSR”), 16 C.F.R. § 310.2(w), unless the seller: (a)



1 clearly and conspicuously discloses all material terms of the transaction before  
2 obtaining the consumer's billing information; (b) obtains the consumer's express  
3 informed consent before making the charge; and (c) provides a simple mechanism  
4 to stop recurring charges. *See* 15 U.S.C. § 8403.

5 129. The TSR defines a negative option feature as: "in an offer or  
6 agreement to sell or provide any goods or services, a provision under which the  
7 consumer's silence or failure to take an affirmative action to reject goods or  
8 services or to cancel the agreement is interpreted by the seller as acceptance of the  
9 offer." 16 C.F.R. § 310.2(w).

10 130. As described above, the Apex Defendants advertise and sell their  
11 personal care products to consumers through a negative option feature as defined  
12 by the TSR. *See* 16 C.F.R. § 310.2(w).

13 131. Under Section 5 of ROSCA, 15 U.S.C. § 8404, a violation of ROSCA  
14 is a violation of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C.  
15 § 57a, and therefore constitutes an unfair or deceptive act or practice in or affecting  
16 commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

### 17 **COUNT VIII**

#### 18 ***Violation of ROSCA – Auto-Renewal Continuity Plan***

#### 19 ***(Against the Apex Defendants)***

20 132. In numerous instances, in connection with the selling of their products  
21 on the Internet through a negative option feature, the Apex Defendants have failed  
22 to:

- 23 a. clearly and conspicuously disclose all material terms of the negative  
24 option feature of the product transaction before obtaining the  
25 consumer's billing information;
- 26 b. obtain the consumer's express informed consent to the negative option  
27 feature before charging the consumer's credit card, debit card, bank  
28 account, or other financial account for the transaction; and/or

1 c. provide simple mechanisms for a consumer to stop recurring charges  
2 for products to the consumer's credit card, debit card, bank account,  
3 or other financial account.

4 133. The Apex Defendants' practices as set forth in Paragraph 132 are a  
5 violation of Section 4 of ROSCA, 15 U.S.C. § 8403, and are therefore a violation  
6 of a rule promulgated under Section 18 of the FTC Act, 15 U.S.C. § 57a, 15 U.S.C.  
7 § 8404(a), and therefore constitute an unfair or deceptive act or practice in or  
8 affecting commerce in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

9 ***VIOLATIONS OF THE ELECTRONIC FUND TRANSFER ACT AND REGULATION E***

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

14 135. Section 903(10) of the EFTA, 15 U.S.C. § 1693a(10), provides that  
15 the term "preauthorized electronic fund transfer" means "an electronic fund  
16 transfer authorized in advance to recur at substantially regular intervals." Section  
17 1005.10(b) of Regulation E, 12 C.F.R. § 1005.10(b) provides that "[p]reauthorized  
18 electronic fund transfers from a consumer's account may be authorized only by a  
19 writing signed or similarly authenticated by the consumer. The person that obtains  
20 the authorization shall provide a copy to the consumer."

21 136. Section 1005.10 of the Consumer Financial Protection Bureau's  
22 Official Staff Commentary to Regulation E, 12 C.F.R. § 1005.10(b), cmt. 5, Supp.  
23 I, provides that "[t]he authorization process should evidence the consumer's  
24 identity and assent to the authorization." The Official Staff Commentary to  
25 Regulation E further provides that "[a]n authorization is valid if it is readily  
26 identifiable as such and the terms of the preauthorized transfer are clear and readily  
27 understandable." 12 C.F.R. § 1005.10(b), cmt. 6, Supp. I.

28

**COUNT IX**

***Unauthorized Debiting from Consumers’ Accounts***

***(Against the Apex Defendants)***

137. In numerous instances, the Apex Defendants debit consumers’ bank accounts on a recurring basis without obtaining a written authorization signed or similarly authenticated from consumers for preauthorized electronic fund transfers from their accounts, thereby violating Section 907(a) of the EFTA, 15 U.S.C. § 1693e(a), and Section 1005.10(b) of Regulation E, 12 C.F.R. § 1005.10(b).

138. Further, in numerous instances, the Apex Defendants debit consumers’ bank accounts on a recurring basis without providing a copy of a written authorization signed or similarly authenticated by the consumer for preauthorized electronic fund transfers from the consumer’s account, thereby violating Section 907(a) of the EFTA, 15 U.S.C. § 1693e(a), and Section 1005.10(b) of Regulation E, 12 C.F.R. § 1005.10(b).

139. Under Section 918(c) of the EFTA, 15 U.S.C. § 1693o(c), a violation of the EFTA and Regulation E constitutes a violation of the FTC Act.

140. Accordingly, by engaging in violations of the EFTA and Regulation E as alleged in Paragraphs 137-138 of this Complaint, Defendants have engaged in violations of the FTC Act. 15 U.S.C. § 1693o(c).

**CONSUMER INJURY**

141. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants’ violations of the FTC Act, ROSCA, and the 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.

**THE COURT’S POWER TO GRANT RELIEF**

142. 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

1 and redress violations of any provision of law enforced by the FTC. The Court, in  
2 the exercise of its equitable jurisdiction, may award ancillary relief, including  
3 rescission or reformation of contracts, restitution, the refund of monies paid, and  
4 the disgorgement of ill-gotten monies, to prevent and remedy any violation of any  
5 provision of law enforced by the FTC.

6 143. Section 19 of the FTC Act, 15 U.S.C. § 57b, Section 5 of ROSCA, 15  
7 U.S.C. § 8404, and Section 917(c) of the EFTA, 15 U.S.C. § 1693o(c), authorize  
8 this Court to grant such relief as the Court finds necessary to redress injury to  
9 consumers resulting from Defendants' violations of the FTC Act, ROSCA, and the  
10 EFTA, including the rescission or reformation of contracts and the refund of  
11 money.

#### 12 **PRAYER FOR RELIEF**

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

17 A. Award Plaintiff such temporary and preliminary injunctive and  
18 ancillary relief as may be necessary to avert the likelihood of consumer injury  
19 during the pendency of this action and to preserve the possibility of effective final  
20 relief, including but not limited to temporary and preliminary injunctions, an order  
21 freezing assets, immediate access, and appointment of a receiver;

22 B. Enter a permanent injunction to prevent future violations of the FTC  
23 Act, ROSCA, and the EFTA by Defendants;

24 C. Award such relief as the Court finds necessary to redress injury to  
25 consumers resulting from Defendants' violations of the FTC Act, ROSCA, and the  
26 EFTA, including but not limited to, rescission or reformation of contracts,  
27 restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;  
28 and

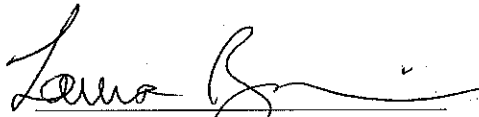
1 D. Award Plaintiff the costs of bringing this action, as well as such other  
2 and additional relief as the Court may determine to be just and proper.

3  
4 Respectfully submitted,

5 ALDEN F. ABBOTT  
6 General Counsel

7 WILLIAM H. EFRON  
8 Regional Director

9  
10 Dated: May 30, 2019



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28

**EXHIBIT A**

<i>COMPANY</i>	<i>DATE OF ORGANIZATION</i>	<i>DATE OF ARTICLES OF DISSOLUTION</i>
Alpha Group LLC	4/30/2014	5/9/2015
Apres Vous Media, LLC	9/9/2015	
Based Capital LLC	9/17/2013	5/9/2015
Bold Media LLC	3/7/2014	5/9/2015
Capstone Capital, LLC	8/13/2013	7/29/2015
Cascade Canyon LLC	8/6/2014	
Confidential Holdings, LLC	9/9/2015	
Cornice Group LLC	8/6/2014	
Crest Capital, LLC	8/13/2013	7/29/2015
Fortune Ventures LLC	9/17/2013	5/9/2015
Future Holdings LLC	9/17/2013	5/9/2015
Grand Assets, LLC	9/17/2013	5/9/2015
Horizon Media, LLC	8/14/2015	
Interzoom, LLC	8/14/2015	
Lead Blast LLC	9/17/2013	5/9/2015
Lion Capital LLC	4/28/2014	5/9/2015
Macro Group LLC	4/28/2014	5/9/2015
Mountain Range Ventures LLC	11/18/2014	
Mountain Solutions, LLC	8/13/2013	5/9/2015
Nutra First LLC	9/17/2013	5/9/2015
Nutra Global LLC	9/17/2013	5/9/2015
Old West Equity LLC	8/6/2014	
Omega Assets LLC	4/28/2014	5/9/2015
Rendezvous IT, LLC	12/30/2013	5/9/2015
Shadow Peak, LLC	9/9/2015	
Singletrack Solutions LLC	11/18/2014	
Sky Media Group, LLC	8/14/2015	
Teton Pass LLC	11/18/2014	
Virtual Media LLC	3/7/2014	5/9/2015
Wonder Leads LLC	9/17/2013	5/9/2015
Wyoming Freedom Group LLC	11/18/2014	
Zoom Media LLC	4/28/2014	5/9/2015

**EXHIBIT B**

<i>COMPANY</i>	<i>DATE OF ORGANIZATION</i>	<i>DATE OF DISSOLUTION</i>
Ace Media Group Ltd	8/14/2015	
Alpha Corporate Ventures Ltd	7/29/2014	3/8/2016
Apres Vous Media Ltd	2/11/2016	7/18/2017
Based Capital Ltd	7/22/2014	1/19/2016
Capstone Capital Solutions Ltd	2/9/2015	
Clik Trix Ltd	8/14/2015	
Crest Capital Ventures Ltd	2/9/2015	7/26/2016
Digital X Solutions Ltd	8/14/2015	9/26/2017
Empire Partners Ltd	8/14/2015	
Energy Tomorrow Ltd	2/6/2015	7/19/2016
Exclusive Media Group Ltd	2/12/2016	7/18/2017
Fortune Ventures Ltd	7/22/2014	3/1/2016
Future Hold Ventures Ltd	11/24/2014	5/10/2016
Future Precision Ltd	2/2/2017	
G Force Max Ltd	2/3/2017	
Grand Assets Ventures Ltd	11/24/2014	5/10/2016
Horizon Media Partners Ltd	8/14/2015	
Interzoom Capital Ltd	8/14/2015	
Lead Blast Ltd	11/24/2014	
Lion Capital Solutions Ltd	2/13/2015	7/26/2016
Maverick Pro Ltd	3/31/2017	
Mountain Venture Solutions Ltd	2/9/2015	
New Idea Group Ltd	7/28/2017	
Nutra First Ltd	7/22/2014	1/2/2018
Nutra Global Ltd	7/22/2014	
Omega Assets Ltd	11/24/2014	5/10/2016
Online Product Group Ltd	4/3/2017	
Precision Tactic Group Ltd	2/3/2017	
Rendezvous IT Ltd	2/9/2015	
Sky Blue Media Ltd	8/14/2015	
Snowdrift Solutions Ltd	3/9/2017	
Tactic Solutions Ltd	8/14/2015	
Top Quality Group Ltd	7/27/2017	
Virtual Media Solutions Ltd	11/24/2014	5/10/2016
Visitron Capital Ltd	8/14/2015	9/26/2017
Web Media Depot Ltd	8/14/2015	9/26/2017
Zoom Media Ltd	7/24/2014	