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19 *Attorneys for Plaintiffs and Putative Class Members*

20 **IN THE UNITED STATES DISTRICT COURT**
21 **FOR THE EASTERN DISTRICT OF CALIFORNIA**

22 RAUL PIZANA, MAUREEN
23 HOBBS, CHARLES BERGLUND,
24 JEANETTE MILLS, ERICA
25 LAROCHE, ANN MARIE LYNCH,
26 OSKAR LAFFONT, SAL MUNOZ,
27 KEITH BARNES, individually and on
28 behalf of all others similarly situated,

Plaintiffs,

vs.

BASIC RESEARCH, LLC, BR COS,
LLC, BASIC RESEARCH
HOLDINGS, LLC, BASIC
RESEARCH INTERMEDIATE, LLC,
SIERRA RESEARCH GROUP, LLC,
MAJESTIC MEDIA, LLC, CRM
SPECIALISTS, LLC, BYDEX
MANAGEMENT, LLC,
SANMEDICA INTERNATIONAL,
LLC, LIMITLESS WORLDWIDE,
LLC, NOVEX BIOTECH, L.L.C.,
BODEE GAY, GINA DAINES,
HALEY BLACKETT, KIMM
HUMPHRIES, MITCHELL K.
FRIEDLANDER,

Defendants.

Case No. 18-cv-00644-DAD-SKO
Assigned Hon. Judge Dale A. Drozd,
USDJ; Hon. Sheila K. Oberto, USMJ
Case Filed: May 9, 2018
FAC Filed: June 30, 2018
SAC Filed: Nov. 13, 2019
3AC Filed: May 18, 2022

**THIRD AMENDED CLASS
ACTION COMPLAINT:**

1. Racketeer Influenced and Corrupt Organizations Act in Violation of 18 U.S.C. § 1962(a), (c)-(d) (“RICO”)
2. False and Misleading Advertising in Violation of Cal. Civ. Code §§ 1750, *et. seq.* (“CLRA”)
3. False and Misleading Advertising in Violation of Cal. Bus. & Prof. Code §§ 17500 (“FAL”)
4. False and Misleading Advertising in Violation of Cal. Bus. & Prof. Code §§ 17200, *et. seq.* (“UCL”)

DEMAND FOR JURY TRIAL

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On behalf of themselves and all persons similarly situated, Plaintiffs Raul Pizana, Maureen Hobbs, Charles Berglund, Jeanette Mills, Erica LaRoche, Ann Marie Lynch, Oskar Laffont, Sal Munoz, and Keith Barnes (“**Plaintiffs**”) submit this Third Amended Complaint (“**TAC**”) against Defendants Basic Research, LLC (“**BR**”), BR Cos, LLC (“**BR Cos**”), Basic Research Holdings (“**BR Holdings**”), LLC, and Basic Research Intermediate, LLC (“**BR Intermediate**”) (collectively “**Defendant Basic Research**”).

Plaintiffs also bring this TAC against SanMedica International, LLC (“**SanMedica**”), Sierra Research Group, LLC (“**Sierra Research**”), Limitless Worldwide, LLC (“**Limitless Worldwide**”), Novex Biotech, L.L.C. (“**Novex Biotech**”), Bydex Management, LLC (“**Bydex Management**”), CRM Specialists, LLC (“**CRM**”), and Majestic Media, LLC (“**Majestic Media**”) (collectively, along with the entities that make up Defendant Basic Research, the “**Operations Entities**” “**Operation Entity Defendants**” or “**Entity Defendants**”);

In addition, Plaintiffs bring this action against Bodee Gay, Gina Daines, Haley Blackett, Kimm Humphries, and Mitchell K. Friedlander (the “**Individual Defendants**”).

“**Defendants**” and/or the “**Basic Research Enterprise**” refers to all Operations Entity Defendants and all Individual Defendants.

Plaintiffs make the allegations herein upon personal knowledge as to themselves and their own acts and experiences, and as to all other matters, upon information and belief, including investigation conducted by their attorneys and their retained experts, pursuant to Federal Rule of Civil Procedure 15(a)(2).

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I. SUMMARY OF THE ACTION

1. The Individual Defendants use a web of so-called “affiliates” they maintain under the umbrella of Defendant Basic Research to peddle fake medicine that they claim will increase human growth hormone (or “**HGH**” or “**GH**”) and therefore reverse the signs of aging. Defendants’ operation of its numerous “affiliated” companies in the Basic Research Enterprise, which consists of all Defendants, is a nationwide racketeering scheme designed to defraud consumers and enrich the Individual Defendants and their company, Defendant Basic Research (consisting of Defendants BR Cos, BR Intermediate, BR Holdings, and BR).

2. Defendants’ fraudulent enterprise is a family business. In 1992, Dennis Gay founded Basic Research, began the creation of Basic Research affiliates, and partnered with Defendant Friedlander to market and sell fraudulent dietary supplements. Now Dennis Gay’s children, Defendants Bodee Gay, Gina Daines, Haley Blackett, and Kimm Humphries operate the enterprise that Dennis Gay built to continue the fraudulent sale of the Products that Friedlander “invented,” including SeroVital-hgh (“**SeroVital**”), Thrive-hGh (“**Thrive**”), SeroDyne, and Growth Factor 9 (“**GF-9**”) (collectively the “**Products**”).

3. Today Basic Research touts itself as a “multimillion-dollar company and one of the top distributors in the weight-loss, bodybuilding, anti-aging, joint health, and skin-care industries.” One of the ways that Basic Research has been able to grow into a “top distributor” of dietary supplements is through its continued practice of marketing, advertising, and selling products under the names of numerous shell companies. This business practice is intended to confuse competitors and consumers by creating a complex web of organizations that, according to the late Dennis Gay, was orchestrated to “protect our brands in the Wild West atmosphere that exists today in the supplement industry.”

4. Defendants use their complicated web of affiliates to profit from the sale of the SeroVital formula while hiding that Defendant Basic Research and the

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1 Individual Defendants are in fact behind this scheme to (1) to flood the market with
2 the idea that oral amino acids can provide anti-aging benefits, and (2) to avoid liability
3 for the fraudulent sale of the Products.

4 5. Defendants’ web of affiliates is so interconnected that Defendant Gina
5 Daines could not even remember which of the affiliates she owned and which of the
6 affiliates she worked for. Indeed, Defendant Daines has held herself out publicly as a
7 spokesperson and executive of several affiliates (including SanMedica, Limitless, and
8 Novex Biotech), and Defendant SanMedica (the putative “manufacturer” of
9 SeroVital) designated her as the person most knowledgeable about its marketing.

10 6. All of the Products at issue are the same formula of oral amino acids sold
11 under different names by Defendants. To avoid liability for their false advertising and
12 to saturate the market with the idea that oral amino acids like the Products can provide
13 an anti-aging miracle, Defendants create a public appearance that each of the Products
14 is independent from the other. Defendants represent that each Product is sold by a
15 different phony company—SeroVital by SanMedica, Thrive and SeroDyne by
16 Limitless, and GF-9 by Novex Biotech. But none of these phony companies is a
17 separate business. Instead, they are the Individual Defendants’ and Defendant Basic
18 Research’s “brands” that are controlled and operated by the Individual Defendants
19 and Basic Research.

20 7. Defendants also use these affiliates, which have no true legal distinction
21 among them, to spread their money and ownership across entities to avoid being held
22 liable to consumers for fraud. Defendant Basic Research, together with the Individual
23 Defendants, create a new limited liability company for each dietary supplement they
24 manufacture, advertise, and sell to consumers to allocate liability to these
25 undercapitalized companies while obfuscating where assets are actually held. In this
26 case, Basic Research and the Individual Defendants created Defendant SanMedica,
27 Defendant Limitless, and Defendant Novex Biotech for the sole purpose of serving
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1 as a conduit for the nationwide sale of SeroVital, Thrive and SeroDyne, and GF-9,
2 respectively.

3 8. In addition, Defendant Basic Research and the Individual Defendants
4 create a new limited liability company to conduct various business operations to
5 further distance their assets from exposure to liability and to obfuscate where assets
6 are actually held. In that regard, Defendant Basic Research and the Individual
7 Defendants created Sierra Research to research and develop the Products, Majestic
8 Media to market them, CRM to handle customer service, Basic Research to distribute
9 them, and Bydex to staff the various companies. The division of operations into
10 purportedly separate limited liability companies is designed to fraudulently
11 compartmentalize and avoid liability, even though there is no true or meaningful legal
12 distinction among them.

13 9. Defendant Basic Research’s and the Individual Defendants’ scheme is
14 shown by the following example of the legally indistinct affiliate, Sierra Research,
15 which Defendant Basic Research and the Individual Defendants created to add
16 scientific legitimacy to the Products. In that regard, Defendants make it appear that
17 their poster girl for their so-called “science,” Amy Heaton, works for an independent
18 organization, Sierra Research. But Defendant Basic Research and the Individual
19 Defendants created Sierra Research primarily to create an artificial scientific
20 legitimacy for their Products to further their scheme to hide those responsible for the
21 fraudulent sale of the Products. Although she is Chief Scientific Officer of Sierra
22 Research, Amy Heaton actually works for Defendant Basic Research and the
23 Individual Defendants, and is paid by Defendant Bydex Management just like all of
24 Defendant Basic Research and the Individual Defendants’ other employees.
25 Defendants also have Amy Heaton hold herself out as “Chief Scientific Officer” for
26 more than one of its brands, including, but not limited to, Defendant SanMedica, the
27 Basic Research Brand that sells SeroVital, Limitless Worldwide, the Basic Research
28

1 brand that sells Thrive and SeroDyne, and Novex Biotech, the Basic Research brand
2 that sells GF9.

3 10. Defendants use the same misrepresentations about the Products’ benefits
4 and the same misleading information about their double-blind placebo-controlled
5 study to market all of the Products. The Individual Defendants and Defendant Basic
6 Research claim that SeroVital, GF-9, and Thrive increase HGH by 682%—which
7 according to SeroVital’s and Thrive’s packaging and website, can cause “wrinkle
8 reduction, decreased body fat, increased lean muscle mass, stronger bones, improved
9 mood, [and] heightened sex drive” so as to make “users look and feel decades – not
10 years, but *DECADES* – younger.” Similarly, the labeling and advertising of GF-9
11 falsely promises its consumers a “more youthful, stronger, and active body.” And the
12 labeling and advertising of SeroDyne claims that it “complements your body’s natural
13 production of this pituitary peptide” aka HGH to improve endurance, metabolic rate,
14 energy, and sleep efficiency.

15 11. Defendants also know that, for consumers, “the science is an important
16 reason to believe” and therefore the company aggressively promotes the exact same
17 so-called “science” to sell each of the Products. But, as Plaintiffs’ experts have opined
18 and testified, Defendants’ double-blind placebo-controlled study on their anti-aging
19 formula shows just the opposite of Defendants’ claims—that the Products are no
20 better than a placebo.

21 12. In fact, the Products provide consumers with nothing more than a false
22 promise. The scientific community confirms: (1) the Products cannot increase HGH
23 levels whatsoever, let alone by 682%; (2) the Products do not reduce wrinkles,
24 “decrease[] body fat,” “increase[] lean muscle mass,” strengthen bones, “improve[]
25 mood,” “heighten[] sex drive,” or make “users look and fees decades ... younger”
26 because the oral administration of amino acids like the Products do not increase
27 growth hormone bioactivity; (3) there is no causal link between increased HGH levels
28 and most of the claimed uses, including wrinkle reduction, increased lean muscle

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1 mass, stronger bones, improved mood, [or] heightened sex drive; and (4) if the
2 Products were to increase HGH levels as claimed, it would cause significant health
3 risks.

4 13. The Products do not increase serum GH levels. As Plaintiffs’ expert Dr.
5 Melmed, M.D. confirms, peer-reviewed scientific publications reveal that low dose
6 *oral* amino acids like SeroVital do not induce GH levels. Indeed, Defendants’
7 advertising is false and misleading because, as Dr. Melmed explains, “the oral
8 ingestion of SeroVital is not significantly different from a placebo.” Another expert,
9 Dr. H. Madoff, M.D., Ph.D. reached the same conclusion based on Defendants’ own
10 study—that there is “no statistically significant difference in total GH levels over the
11 two hours (AUC) following SeroVital compared to placebo treatment.” Thus, based
12 on peer-reviewed scientific publications, Defendants’ study, and expert testimony,
13 Defendants’ claim that the Products increase HGH by 682% is provably false and
14 misleading.¹

15 14. Although Defendants claim that the Products increase HGH, and that
16 increases of HGH “decrease[] body fat,” “increase[] lean muscle mass,” strengthen
17 bones, “improve[] mood,” “heighten[] sex drive,” or make “users look and feel
18 decades ... younger,” as Plaintiffs’ experts and the scientific consensus confirm, the
19 Products do not improve “wrinkle reduction, decreased body fat, increased lean
20 muscle mass, stronger bones, improved mood, heightened sex drive, and making users
21 look and feel decades younger.” Dr. Melmed, M.D. confirms that the Products are not
22 associated with these benefits because, based on the scientific consensus regarding
23 oral amino acids as well as the information available regarding SeroVital, oral
24 administration of amino acids like those in SeroVital would not increase GH bio-
25 activity after SeroVital ingestion. Accordingly, based on scientific consensus and
26

27 ¹ Although Plaintiffs’ experts reviewed the claims and study for SeroVital, the other
28 Products are the same formula as SeroVital and Defendants’ advertising relies on the
same study that Plaintiffs’ experts conclude showed that SeroVital was no different
from placebo.

1 expert testimony, Defendants’ claim that HGH, which it claims the Products
2 drastically increase, causes weight-loss and anti-aging benefits is provably false and
3 misleading.

4 15. In short, the Products are no more effective for its advertised purposes than
5 a placebo, and are therefore worthless to consumers, including consumers in
6 California, who, upon information and belief, have collectively expended tens of
7 millions of dollars or more on the Products during the four-year leading up to the
8 commencement of this action through present (the “**Class Periods**”).

9 **II. PARTIES**

10 **A. Plaintiffs**

11 16. **Plaintiff Raul Pizana.** Plaintiff Pizana is, and at all times relevant hereto
12 was, a citizen of California residing in Kings County. Plaintiff paid approximately
13 \$100 for a 30-day supply of SeroVital from a Kohl’s store in Hanford, California in
14 early 2017 after reading Defendants’ advertisements on the SeroVital’s packaging
15 label. Plaintiff purchased SeroVital in reliance upon its advertised ability to increase
16 HGH levels and provide Plaintiff with “decreased body fat,” “increased lean muscle
17 mass,” “heightened sex drive,” “improved mood,” and “decreased wrinkles.” Based
18 on Defendants’ claim that the product increases HGH levels, Plaintiff reasonably
19 believed that the increase in HGH levels purportedly caused by SeroVital would
20 achieve the purported benefits of HGH listed on the label including “decreased body
21 fat,” “increased lean muscle mass,” “heightened sex drive,” “improved mood,” and
22 “decreased wrinkles.” Like other reasonable consumers, Plaintiff interpreted the
23 challenged advertising and labeling claims as Defendants intended: to mean that
24 SeroVital would increase HGH levels by 682%, and that as a result of that increase,
25 Plaintiff would receive the anti-aging benefits stated on SeroVital’s label.

26 17. Plaintiff used SeroVital as directed. However, as a result, Plaintiff did not
27 receive any of the advertised HGH increasing or anti-aging benefits. Plaintiff’s body
28 fat, muscle mass, sex drive, mood, and skin remained unchanged. Moreover,

1 Plaintiff—in no way, shape, or form—looked or felt younger, let alone by years or
2 decades, as Defendants promised. If Plaintiff had known that SeroVital would not
3 deliver the advertised HGH increasing and anti-aging benefits, and that the promises
4 made on SeroVital’s packaging were misleading and false, Plaintiff would not have
5 purchased SeroVital. As it turned out, Plaintiff received zero benefits from SeroVital,
6 and is therefore entitled to, *inter alia*, restitution damages in an amount to be
7 determined at trial.

8 **18. Plaintiff Maureen Hobbs.** Plaintiff Hobbs is, and at all times relevant
9 hereto was, a citizen of California residing in San Diego County. In 2019, Plaintiff
10 Hobbs purchased her first 30-day supply of SeroVital for approximately \$100 from
11 an Ulta Beauty store in San Diego, California after seeing television advertisements
12 for the product. She later purchased a second box for approximately \$100 from an
13 Ulta Beauty store in Riverside County. After her initial purchases, Hobbs purchased
14 approximately eight to ten 30-day supply packages of SeroVital from Ulta Beauty
15 stores in San Diego and Riverside County and SeroVital.com whenever they were on
16 sale for \$49.99. In total, Hobbs spent almost \$600 on SeroVital before she realized
17 the product did not work and returned five unopened boxes for a refund of \$249.95.
18 Plaintiff purchased SeroVital in reliance upon its advertised ability to increase HGH
19 levels and provide Plaintiff with “decreased body fat,” “increased lean muscle mass,”
20 “heightened sex drive,” “improved mood,” and “decreased wrinkles.” Based on
21 Defendants’ claim that the product increases HGH levels, Plaintiff reasonably
22 believed that the increase in HGH levels purportedly caused by SeroVital would
23 achieve the purported benefits of HGH listed on the label including “decreased body
24 fat,” “increased lean muscle mass,” “heightened sex drive,” “improved mood,” and
25 “decreased wrinkles.” Like other reasonable consumers, Plaintiff interpreted the
26 challenged advertising and labeling claims as Defendants intended: to mean that
27 SeroVital would increase HGH levels by 682%, and that as a result of that increase,
28 Plaintiff would receive the anti-aging benefits stated on SeroVital’s label.

1 19. Plaintiff used SeroVital as directed for several months. However, as a
2 result, Plaintiff did not receive any of the advertised HGH increasing or anti-aging
3 benefits. Plaintiff's body fat, muscle mass, sex drive, mood, and skin remained
4 unchanged. Moreover, Plaintiff—in no way, shape, or form—looked or felt younger,
5 let alone by years or decades, as Defendants promised. If Plaintiff had known that
6 SeroVital would not deliver the advertised HGH increasing and anti-aging benefits,
7 and that the promises made on SeroVital's packaging were misleading and false,
8 Plaintiff would not have purchased SeroVital. As it turned out, Plaintiff received zero
9 benefits from SeroVital, and is therefore entitled to, *inter alia*, restitution damages in
10 an amount to be determined at trial.

11 20. **Plaintiff Charles Berglund.** Plaintiff Berglund is, and at all times
12 relevant hereto was, a citizen of California residing in Riverside County. In or around
13 2009, Plaintiff Berglund first purchased Growth Factor 9 for approximately \$100
14 from a retail store in Murrieta, California after seeing television advertisements for
15 the Product. He did not receive any of the advertised benefits, but later purchased
16 several more boxes in or around 2014, hoping that Growth Factor 9 would work for
17 him. After his initial purchases, Berglund purchased another bottle of Growth Factor
18 9 in Murrieta, California in or around late 2017. In total, Berglund spent hundreds of
19 dollars on Growth Factor 9 before he realized the product did not work. Plaintiff
20 purchased Growth Factor 9 in reliance upon its advertised ability to increase HGH
21 levels by 682% and provide Plaintiff with its advertised benefits, including promises
22 of increased physical performance, faster recovery, and greater endurance. Based on
23 Defendants' claim that the product increases HGH levels, Plaintiff reasonably
24 believed that the increase in HGH levels purportedly caused by Growth Factor 9
25 would achieve the advertised purported benefits of HGH, including increased
26 physical performance, faster recovery, and greater endurance. Like other reasonable
27 consumers, Plaintiff interpreted the challenged advertising and labeling claims as
28 Defendants intended: to mean that Growth Factor 9 would increase HGH levels by

1 682%, and that as a result of that increase, Plaintiff would receive the physical
2 performance benefits stated on Growth Factor 9’s label.

3 21. Plaintiff used Growth Factor 9 as directed for several months. However,
4 as a result, Plaintiff did not receive any of the advertised HGH increasing or physical
5 performance benefits. Plaintiff’s physical performance, recovery, and endurance
6 remained unchanged. If Plaintiff had known that Growth Factor 9 would not deliver
7 the advertised HGH increasing and performance-improving benefits, and that the
8 promises made on Growth Factor 9’s packaging were misleading and false, Plaintiff
9 would not have purchased Growth Factor 9. As it turned out, Plaintiff received zero
10 benefits from Growth Factor 9, and is therefore entitled to, *inter alia*, restitution
11 damages in an amount to be determined at trial.

12 22. **Plaintiff Jeanette Mills.** Plaintiff Mills is, and at all times relevant hereto
13 was, a citizen of California residing in Merced County. In or around 2014, Plaintiff
14 Mills purchased her first 30-day supply of SeroVital for approximately \$100 in
15 Merced or Turlock, California. She later purchased several more boxes from Costco,
16 the Vitamin Shoppe and/or GNC. Despite not receiving the advertised benefits,
17 Plaintiff Mills continued to purchase the Product in hopes she would one day see the
18 advertised benefits. Most recently, Plaintiff Mills purchased SeroVital in or around
19 2019. In total, Mills spent hundreds of dollars on SeroVital before she realized the
20 product did not work. Plaintiff purchased SeroVital in reliance upon its advertised
21 ability to increase HGH levels and provide Plaintiff with “decreased body fat,”
22 “increased lean muscle mass,” “heightened sex drive,” “improved mood,” and
23 “decreased wrinkles.” Based on Defendants’ claim that the product increases HGH
24 levels, Plaintiff reasonably believed that the increase in HGH levels purportedly
25 caused by SeroVital would achieve the purported benefits of HGH listed on the label
26 including “decreased body fat,” “increased lean muscle mass,” “heightened sex
27 drive,” “improved mood,” and “decreased wrinkles.” Like other reasonable
28 consumers, Plaintiff interpreted the challenged advertising and labeling claims as

1 Defendants intended: to mean that SeroVital would increase HGH levels by 682%,
2 and that as a result of that increase, Plaintiff would receive the anti-aging benefits
3 stated on SeroVital’s label.

4 23. Plaintiff used SeroVital as directed for several months. However, as a
5 result, Plaintiff did not receive any of the advertised HGH increasing or anti-aging
6 benefits. Plaintiff’s body fat, muscle mass, sex drive, mood, and skin remained
7 unchanged. Moreover, Plaintiff—in no way, shape, or form—looked or felt younger,
8 let alone by years or decades, as Defendants promised. If Plaintiff had known that
9 SeroVital would not deliver the advertised HGH increasing and anti-aging benefits,
10 and that the promises made on SeroVital’s packaging were misleading and false,
11 Plaintiff would not have purchased SeroVital. As it turned out, Plaintiff received zero
12 benefits from SeroVital, and is therefore entitled to, *inter alia*, restitution damages in
13 an amount to be determined at trial.

14 24. **Plaintiff Erica LaRoche.** Plaintiff Erica LaRoche is, and at all times
15 relevant hereto was, a citizen of California residing in Riverside County. In 2019,
16 Plaintiff LaRoche purchased several 30-day supplies of SeroVital (powder form) for
17 approximately \$100/each from a GNC store in Marino Valley, California. Plaintiff
18 purchased SeroVital in reliance upon its advertised ability to increase HGH levels and
19 provide Plaintiff with “decreased body fat,” “increased lean muscle mass,”
20 “heightened sex drive,” “improved mood,” and “decreased wrinkles.” Based on
21 Defendants’ claim that the product increases HGH levels, Plaintiff reasonably
22 believed that the increase in HGH levels purportedly caused by SeroVital would
23 achieve the purported benefits of HGH listed on the label including “decreased body
24 fat,” “increased lean muscle mass,” “heightened sex drive,” “improved mood,” and
25 “decreased wrinkles.” Like other reasonable consumers, Plaintiff interpreted the
26 challenged advertising and labeling claims as Defendants intended: to mean that
27 SeroVital would increase HGH levels by 682%, and that as a result of that increase,
28 Plaintiff would receive the anti-aging benefits stated on SeroVital’s label.

1 25. Plaintiff used SeroVital as directed for several months. However, as a
2 result, Plaintiff did not receive any of the advertised HGH increasing or anti-aging
3 benefits. Plaintiff’s body fat, muscle mass, sex drive, mood, and skin remained
4 unchanged. Moreover, Plaintiff—in no way, shape, or form—looked or felt younger,
5 let alone by years or decades, as Defendants promised. If Plaintiff had known that
6 SeroVital would not deliver the advertised HGH increasing and anti-aging benefits,
7 and that the promises made on SeroVital’s packaging were misleading and false,
8 Plaintiff would not have purchased SeroVital. As it turned out, Plaintiff received zero
9 benefits from SeroVital, and is therefore entitled to, *inter alia*, restitution damages in
10 an amount to be determined at trial.

11 26. **Plaintiff Ann Marie Lynch.** Plaintiff Ann Marie Lynch is, and at all
12 times relevant hereto was, a citizen of California residing in Orange County. In 2018,
13 Plaintiff Lynch purchased several 30-day supplies of SeroVital for approximately
14 \$100/each from a Costco store in Tustin and Long Beach, California. Plaintiff
15 purchased SeroVital after seeing Defendants’ infomercial involving Kym Douglas.
16 In total, Lynch spent approximately \$400-\$500 on SeroVital before she realized the
17 product did not work. Plaintiff purchased SeroVital in reliance upon its advertised
18 ability to increase HGH levels and provide Plaintiff with “decreased body fat,”
19 “increased lean muscle mass,” “heightened sex drive,” “improved mood,” and
20 “decreased wrinkles.” Based on Defendants’ claim that the product increases HGH
21 levels, Plaintiff reasonably believed that the increase in HGH levels purportedly
22 caused by SeroVital would achieve the purported benefits of HGH listed on the label
23 including “decreased body fat,” “increased lean muscle mass,” “heightened sex
24 drive,” “improved mood,” and “decreased wrinkles.” Like other reasonable
25 consumers, Plaintiff interpreted the challenged advertising and labeling claims as
26 Defendants intended: to mean that SeroVital would increase HGH levels by 682%,
27 and that as a result of that increase, Plaintiff would receive the anti-aging benefits
28 stated on SeroVital’s label.

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1 27. Plaintiff used SeroVital as directed for several months. However, as a
2 result, Plaintiff did not receive any of the advertised HGH increasing or anti-aging
3 benefits. Plaintiff’s body fat, muscle mass, sex drive, mood, and skin remained
4 unchanged. Moreover, Plaintiff—in no way, shape, or form—looked or felt younger,
5 let alone by years or decades, as Defendants promised. If Plaintiff had known that
6 SeroVital would not deliver the advertised HGH increasing and anti-aging benefits,
7 and that the promises made on SeroVital’s packaging were misleading and false,
8 Plaintiff would not have purchased SeroVital. As it turned out, Plaintiff received zero
9 benefits from SeroVital, and is therefore entitled to, *inter alia*, restitution damages in
10 an amount to be determined at trial.

11 28. **Plaintiff Oskar Laffont.** Plaintiff Laffont is, and at all times relevant
12 hereto was, a citizen of California residing in Los Angeles County. In or around early
13 2019, Plaintiff Laffont purchased Growth Factor 9 for approximately \$100 from a
14 GNC in West Hollywood, California. In total, Laffont spent hundreds of dollars on
15 Growth Factor 9 before he realized the product did not work. Plaintiff purchased
16 Growth Factor 9 in reliance upon its advertised ability to increase HGH levels by
17 682% and provide Plaintiff with its advertised benefits, including promises of
18 increased physical performance, faster recovery, and greater endurance. Based on
19 Defendants’ claim that the product increases HGH levels, Plaintiff reasonably
20 believed that the increase in HGH levels purportedly caused by Growth Factor 9
21 would achieve the advertised purported benefits of HGH, including increased
22 physical performance, faster recovery, and greater endurance. Like other reasonable
23 consumers, Plaintiff interpreted the challenged advertising and labeling claims as
24 Defendants intended: to mean that Growth Factor 9 would increase HGH levels by
25 682%, and that as a result of that increase, Plaintiff would receive the physical
26 performance benefits stated on Growth Factor 9’s label.

27 29. Plaintiff used Growth Factor 9 as directed for several months. However,
28 as a result, Plaintiff did not receive any of the advertised HGH increasing or physical

1 performance benefits. Plaintiff's physical performance, recovery, and endurance
2 remained unchanged. If Plaintiff had known that Growth Factor 9 would not deliver
3 the advertised HGH increasing and performance-improving benefits, and that the
4 promises made on Growth Factor 9's packaging were misleading and false, Plaintiff
5 would not have purchased Growth Factor 9. As it turned out, Plaintiff received zero
6 benefits from Growth Factor 9, and is therefore entitled to, *inter alia*, restitution
7 damages in an amount to be determined at trial.

8 **30. Plaintiff Sal Munoz.** Plaintiff Munoz is, and at all times relevant hereto
9 was, a citizen of California. In or around mid-to-late 2020, Plaintiff Munoz purchased
10 several 30-day supplies of Growth Factor 9 for approximately \$79.20/each from the
11 growthfactor9 online store. In total, Plaintiff Munoz spent hundreds of dollars before
12 he realized the product did not work. Plaintiff purchased Growth Factor 9 in reliance
13 upon its advertised ability to increase HGH levels by 682% and provide Plaintiff with
14 its advertised benefits, including promises of increased physical performance, faster
15 recovery, and greater endurance. Based on Defendants' claim that the product
16 increases HGH levels, Plaintiff reasonably believed that the increase in HGH levels
17 purportedly caused by Growth Factor 9 would achieve the advertised purported
18 benefits of HGH, including increased physical performance, faster recovery, and
19 greater endurance. Like other reasonable consumers, Plaintiff interpreted the
20 challenged advertising and labeling claims as Defendants intended: to mean that
21 Growth Factor 9 would increase HGH levels by 682%, and that as a result of that
22 increase, Plaintiff would receive the physical performance benefits stated on Growth
23 Factor 9's label.

24 **31.** Plaintiff used Growth Factor 9 as directed for several months. However,
25 as a result, Plaintiff did not receive any of the advertised HGH increasing or physical
26 performance benefits. Plaintiff's physical performance, recovery, and endurance
27 remained unchanged. If Plaintiff had known that Growth Factor 9 would not deliver
28 the advertised HGH increasing and performance-improving benefits, and that the

1 promises made on Growth Factor 9’s packaging were misleading and false, Plaintiff
2 would not have purchased Growth Factor 9. As it turned out, Plaintiff received zero
3 benefits from Growth Factor 9, and is therefore entitled to, *inter alia*, restitution
4 damages in an amount to be determined at trial.

5 **32. Plaintiff Keith Barnes.** Plaintiff Barnes is, and at all times relevant
6 hereto was, a citizen of California. In or around 2014 through 2017, Plaintiff recalls
7 purchasing SeroVital (pill form) at Costco and/or other retail stores in Bakersfield,
8 California for approximately \$99 to \$120. In total, Plaintiff Barnes spent hundreds of
9 dollars before he realized the product did not work. Plaintiff purchased SeroVital in
10 reliance upon its advertised ability to increase HGH levels and provide Plaintiff with
11 “decreased body fat,” “increased lean muscle mass,” “heightened sex drive,”
12 “improved mood,” and “decreased wrinkles.” Based on Defendants’ claim that the
13 product increases HGH levels, Plaintiff reasonably believed that the increase in HGH
14 levels purportedly caused by SeroVital would achieve the purported benefits of HGH
15 listed on the label including “decreased body fat,” “increased lean muscle mass,”
16 “heightened sex drive,” “improved mood,” and “decreased wrinkles.” Like other
17 reasonable consumers, Plaintiff interpreted the challenged advertising and labeling
18 claims as Defendants intended: to mean that SeroVital would increase HGH levels by
19 682%, and that as a result of that increase, Plaintiff would receive the anti-aging
20 benefits stated on SeroVital’s label.

21 **33.** Plaintiff used SeroVital as directed for several months. However, as a
22 result, Plaintiff did not receive any of the advertised HGH increasing or anti-aging
23 benefits. Plaintiff’s body fat, muscle mass, sex drive, mood, and skin remained
24 unchanged. Moreover, Plaintiff—in no way, shape, or form—looked or felt younger,
25 let alone by years or decades, as Defendants promised. If Plaintiff had known that
26 SeroVital would not deliver the advertised HGH increasing and anti-aging benefits,
27 and that the promises made on SeroVital’s packaging were misleading and false,
28 Plaintiff would not have purchased SeroVital. As it turned out, Plaintiff received zero

1 benefits from SeroVital, and is therefore entitled to, *inter alia*, restitution damages in
2 an amount to be determined at trial.

3 **34. Plaintiffs’ Future Harm.** If the Products functioned as advertised,
4 Plaintiffs Pizana, Hobbs, Berglund, Mills, LaRoche, Lynch, Laffont, Munoz, and
5 Barnes would purchase SeroVital or the Products in the future. Because Plaintiffs
6 would like to purchase the Products again and achieve the advertised benefits, they
7 might purchase it again in the future—despite the fact that it was once marred by false
8 advertising or labeling—as they may reasonably, but incorrectly, assume that
9 SeroVital was improved either under the SeroVital brand name or under any of the
10 other substantially similar Products consisting of the same formula. In that regard,
11 Plaintiffs are average consumers who are not sophisticated in the bioavailability or
12 effects of HGH in different formulations, so they are at risk of reasonably, but
13 incorrectly, assuming that Defendants fixed the formulation of the Products or that
14 different products were developed using an entirely different brand or company name.
15 Moreover, as set forth herein, Defendants have rebranded the same formulation of the
16 SeroVital under several new brands, intentionally selling each as if it is being sold by
17 a different and independent company, a pattern they have used with other fraudulent
18 products. *See infra* ¶ 54. Thus, Defendants could rebrand SeroVital and the Products
19 and sell them under a purportedly new company. As Plaintiffs continue to desire to
20 buy products that provide anti-aging and similar benefits, Plaintiffs could be misled
21 or confused in the event Defendants make a new iteration of the SeroVital under a
22 new brand name that appears to be sold by a new company.

23 **B. Defendants**

24 **35. Basic Research Enterprise.** The Basic Research Enterprise is a joint
25 enterprise, joint venture, conspiracy, partnership, and organization comprised of
26 multiple affiliated entities and individuals who are also the alter-egos of each other,
27 including, but not necessarily limited to, the Defendants identified below. The Basic
28 Research Enterprise splits its operation amongst legally indistinct companies to

1 research and develop, manufacture, market, advertise, distribute, and sell consumers
2 scores of different cosmetics, nutritional supplements, and dietary supplements, such
3 as the Products, under the names of nearly a dozen limited liability companies that
4 are all wholly owned subsidiaries within the Basic Research Enterprise, including
5 those identified below.

6 **36. Defendants/Basic Research Enterprise.** The following entities and
7 individuals are herein collectively referred to as “**Defendants**” and the “**Basic**
8 **Research Enterprise.**”

9 *(i) Indistinct Operations Entities performing the functions of Defendant*
10 *Basic Research at Basic Research Headquarters.*

11 **37. Distribution:** *Defendant Basic Research LLC (“BR”),* a Utah limited
12 liability company, is headquartered at, maintains a principal place of business at, and
13 otherwise entirely operates out of the BR Headquarters. At all relevant times, BR has
14 been a wholly owned subsidiary of BR Cos, BR Holdings, and/or BR Intermediate;
15 BR has operated as the distribution division of the Basic Research Enterprise; and,
16 thereby, BR has distributed the Products for the Basic Research Enterprise.

17 **38. Research & Development:** *Defendant Sierra Research Group, LLC*
18 *(“Sierra Research”),* a Utah limited liability company, is headquartered at, maintains
19 a principal place of business at, and otherwise entirely operates out of the BR
20 Headquarters. At all relevant times, Sierra has been a wholly owned subsidiary of BR
21 Cos, BR Holdings, and/or BR Intermediate; Sierra has operated as the research and
22 development division of the Basic Research Enterprise; and, thereby, Sierra has
23 researched and developed the Products for the Basic Research Enterprise.

24 **39. Marketing & Advertising:** *Defendant Majestic Media, LLC*
25 *(“Majestic”),* a Utah limited liability company, is headquartered at, maintains a
26 principal place of business at, and otherwise entirely operates out of the BR
27 Headquarters. At all relevant times, Majestic has been a wholly owned subsidiary of
28 BR Cos, BR Holdings, and/or BR Intermediate; Majestic has operated as the

1 marketing and advertising division of the Basic Research Enterprise; and, thereby,
2 Majestic has marketed and advertised the Products for the Basic Research Enterprise.

3 **40. Sales & Customer Service:** *Defendant CRM Specialists, LLC* (“CRM”),
4 a Utah limited liability company, is headquartered at, maintains a principal place of
5 business at, and otherwise entirely operates out of the BR Headquarters. At all
6 relevant times, CRM has been a wholly owned subsidiary of BR Cos, BR Holdings,
7 and/or BR Intermediate; CRM has operated as the sales and customer service division
8 of the Basic Research Enterprise; and, thereby, CRM has sold and serviced customers
9 for the Products for the Basic Research Enterprise.

10 **41. Human Resources & Employment:** *Defendant Bydex Management, LLC*
11 (“Bydex”), a Utah limited liability company, is headquartered at, maintains a
12 principal place of business at, and otherwise entirely operates out of the BR
13 Headquarters. At all relevant times, Bydex has been a wholly owned subsidiary of
14 BR Cos, BR Holdings, and/or BR Intermediate; Bydex has operated as the human
15 resources and employment division of the Basic Research Enterprise; and, thereby,
16 Bydex has provided employees to staff each of the affiliated companies within the
17 Basic Research Enterprise in order to distribute, research and develop, market and
18 advertise, sell, and service customers for the Products and the Basic Research
19 Enterprise.

20 *(ii) Indistinct undercapitalized Operations Entities named on Product*
21 *labels to perform the function of shielding Defendant Basic Research*
22 *and the Individual Defendants from liability, and to perform the*
23 *function of creating a false impression that there is consensus about the*
24 *efficacy of the Products.*

25 **42. Held out as the maker of SeroVital:** *Defendant SanMedica International,*
26 LLC (“SanMedica”), a Utah limited liability company is headquartered at, maintains
27 a principal place of business at, and otherwise entirely operates out of the BR
28 Headquarters. At all relevant times, SanMedica has been a wholly owned subsidiary

1 of BR Cos, BR Holdings, and/or BR Intermediate. At all relevant times, SanMedica
2 has been a wholly owned subsidiary of BR Cos, BR Holdings, and/or BR
3 Intermediate; SanMedica has operated as the manufacturer of SeroVital for the Basic
4 Research Enterprise; and, thereby, SanMedica has manufactured SeroVital for the
5 Basic Research Enterprise. SanMedica, at all relevant times, has approved,
6 authorized, ratified the conduct of all other affiliated Basic Research Enterprise
7 entities and individuals' wrongful activities alleged herein with respect to the research
8 and development, manufacture, marketing, advertising, distribution, and sale of
9 SeroVital.

10 43. **Held out as the maker of Thrive and SeroDyne:** *Defendant Limitless*
11 *Worldwide, LLC* ("**Limitless Worldwide**"), a Utah limited liability company, is
12 headquartered at, maintains a principal place of business at, and otherwise entirely
13 operates out of the BR Headquarters. During the Class Periods, Limitless Worldwide
14 has been a wholly owned subsidiary of BR Cos, BR Holdings, and/or BR
15 Intermediate; Limitless Worldwide has operated as the manufacturer of Thrive and
16 SeroDyne for the Basic Research Enterprise; and, thereby, Limitless Worldwide has
17 manufactured Thrive and SeroDyne for the Basic Research Enterprise. Limitless
18 Worldwide, at all relevant times, has approved, authorized, ratified the conduct of all
19 other affiliated Basic Research Enterprise entities and individuals' wrongful activities
20 alleged herein with respect to the research and development, manufacture, marketing,
21 advertising, distribution, and sale of Thrive and SeroDyne.

22 44. **Held out as the maker of GF-9:** *Defendant Novex Biotech, LLC* ("**Novex**
23 **Biotech**"), a Utah limited liability company, is headquartered at, maintains a principal
24 place of business at, and otherwise entirely operates out of the BR Headquarters. At
25 all relevant times, Novex has been a wholly owned subsidiary of BR Cos, BR
26 Holdings, and/or BR Intermediate; Novex has operated as the manufacturer of GF-9
27 for the Basic Research Enterprise; and, thereby, Novex has manufactured GF-9 for
28 the Basic Research Enterprise. Novex, at all relevant times, has approved, authorized,

1 ratified the conduct of all other affiliated Basic Research Enterprise entities and
2 individuals' wrongful activities alleged herein with respect to the research and
3 development, manufacture, marketing, advertising, distribution, and sale of GF-9.

4 **(iii) Individual Defendants who profit from and direct the functions of the**
5 **web of affiliates that make up the Basic Research Enterprise.**

6 45. **Owner/Director/Executive Officer:** *Defendant Bodee Gay* (“**Bodee**
7 **Gay**”) is a natural person who resides in the State of Utah and operates the Basic
8 Research Enterprise out of the BR Headquarters. At all relevant times prior to 2016,
9 Bodee Gay was the vice president of sales for the Basic Research Enterprise and
10 directly participated in the design, implementation, and audit of sales strategies for
11 the Basic Research Enterprise affiliated companies for the various Products, including
12 SanMedica sales of SeroVital, Limitless Worldwide sales of Thrive and SeroDyne,
13 and Novex Biotech sales of GF-9. Beginning in or around 2016, Bodee Gay became
14 the Chief Executive Officer for the Basic Research Enterprise and directed,
15 controlled, directly participated in, and has been otherwise responsible for, all aspects
16 of its operations, including the design, implementation, and audit of strategies for the
17 research and development, marketing and advertisement, distribution, sales, customer
18 service divisions, and manufacture of the Products as well as the operation of
19 SanMedica, Limitless Worldwide, and Novex Biotech. Beginning in 2018, Bodee
20 Gay became an owner of the Basic Research Enterprise. As an owner and/or executive
21 officer, Bodee Gay has had final decision-making authority over the foregoing aspects
22 of Basic Research Enterprise’s operations.

23 46. **Owner/Director/Executive Officer:** *Defendant Gina Daines* (“**Daines**”)
24 is a natural person who resides in the State of Utah and operates the Basic Research
25 Enterprise out of the BR Headquarters. At all relevant times, Daines has been the
26 Chief Marketing Officer for the Basic Research Enterprise, including for SanMedica,
27 Limitless Worldwide, and Novex Biotech and directed, controlled, directly
28 participated in, and has been otherwise responsible for, all aspects of its marketing

1 and advertising operations, including the design, implementation, and audit of
2 strategies for marketing and advertising the Products. Beginning in 2018, Daines
3 became an owner of the Basic Research Enterprise. As an owner and/or executive
4 officer, Daines has had final decision-making authority over the foregoing aspects of
5 Basic Research Enterprise’s operations.

6 **47. Owner/Director/Executive Officer:** *Defendant M. Friedlander*
7 (**“Friedlander”**), is a natural person who is the purported inventor of SeroVital and
8 who resides in the State of Utah and operates the Basic Research Enterprise out of the
9 BR Headquarters. At all relevant times, Friedlander has been an executive officer and
10 owner of the Basic Research Enterprise and directed, controlled, directly participated
11 in, and has been otherwise responsible for, all aspects of its marketing and advertising
12 operations, including the design, implementation, and audit of strategies for
13 marketing and advertising the Products. As an owner and/or executive officer,
14 Friedlander has had final decision-making authority over the foregoing aspects of
15 Basic Research Enterprise’s operations.

16 **48. Owner/Director/Executive Officer:** *Defendant Haley Blackett*
17 (**“Blackett”**), is a natural person who resides in the State of Utah and operates the
18 Basic Research Enterprise out of the BR Headquarters. At all relevant times, Blackett
19 has been an executive officer and owner of the Basic Research Enterprise and
20 directed, controlled, directly participated in, and has been otherwise responsible for,
21 all aspects of its marketing and advertising operations, including the design,
22 implementation, and audit of strategies for marketing and advertising the Products.
23 As an owner and/or executive officer, Blackett has had final decision-making
24 authority over the foregoing aspects of Basic Research Enterprise’s operations.

25 **49. Owner/Director/Executive Officer:** *Defendant Kimm Humphries*
26 (**“Humphries”**), is a natural person who resides in the State of Utah and operates the
27 Basic Research Enterprise out of the BR Headquarters. At all relevant times, Blackett
28 has been an executive officer and owner of the Basic Research Enterprise and

1 directed, controlled, directly participated in, and has been otherwise responsible for,
 2 all aspects of its marketing and advertising operations, including the design,
 3 implementation, and audit of strategies for marketing and advertising the Products.
 4 As an owner and/or executive officer, Blackett has had final decision-making
 5 authority over the foregoing aspects of Basic Research Enterprise's operations.

6 *(iv) The Parent and Grandparent Operations Entities.*

7 **50. Grandparent/Parent:** Defendant Basic Research Holdings, LLC (“**BR**
 8 **Holdings**”) is a Delaware limited liability company headquartered in Dover,
 9 Delaware. It maintains its principal place of business and otherwise entirely operates
 10 out of 5742 West Harold Gatty Drive, Salt Lake City, Utah 84116 (“**BR**
 11 **Headquarters**”). At all relevant times, BR Cos, BR Holdings, and/or BR
 12 Intermediate² have operated as holding companies that either jointly or successively

13
 14 ² Defendant SanMedica's Corporate Disclosure Statement, filed **June 5, 2018**, lists
 15 Basic Research Intermediate, LLC as its parent corporation and Basic Research
 16 Holdings, LLC as its grandparent corporation. *See* Dkt. 9. However, as of
 17 **September 15, 2020**, both entities' status are expired and voluntarily withdrawn on
 18 Utah's Division of Corporations and Commercial Code website. During a 30(b)(6)
 19 deposition in September 2020, it was also revealed for the first time that BR Cos, LLC
 20 acquired Basic Research Intermediate, LLC at some unknown point in time and that
 21 BR Cos, LLC was the new umbrella company for each entity-Defendant. BR Cos,
 22 LLC, however, was only incorporated in the State of Delaware on **December 23,**
 23 **2019**, and registered with the State of Utah on **February 2, 2020**, both of which
 24 followed the filing of this action.

25 Following the Court's order entered on **April 27, 2022** (Dkt. 170), granting
 26 Plaintiff Pizana's motion for leave to file this amended complaint, on **April 28, 2022**,
 27 Defendant SanMedica supplemented its Corporate Disclosure Statement to identify
 28 BR Cos as its parent corporation and, *for the first time in this litigation*, Phoenix
 Awakening Holdings, LLC (“**Phoenix**”) as its grandparent corporation (Dkt. 171).
 Yet again, after the filing of this case, Defendant Basic Research and the Individual
 Defendants created another umbrella company, Phoenix, incorporating it in the State
 of Delaware on **December 23, 2019**, and registering it to do business in the State of
 Utah on **February 27, 2020**, with the same headquarters and principal place of
 business as the Basic Research Enterprise at BR Headquarters. Plaintiffs have sought
 from Defendant SanMedica a stipulation for leave to add Phoenix as a Defendant to
 this action and, if it declines, Plaintiffs intend to seek leave of Court. Phoenix stands
 in the same stead as the parent/grandparent Defendants BR Cos, BR Holdings, BR
 Intermediate, and BR, which are collectively referred to in this complaint as
 “Defendant Basic Research.”

1 owned, directly or indirectly, all affiliated entities within the Basic Research
2 Enterprise, including those identified below.

3 **51. Parent:** Defendant Basic Research Intermediate, LLC (“**BR**
4 **Intermediate**”) is a Delaware limited liability company headquartered in Dover,
5 Delaware. It maintains its principal place of business and otherwise entirely operates
6 out of the BR Headquarters. At various relevant times, BR Cos, BR Holdings, and/or
7 BR Intermediate have held ownership of all affiliated entities within the Basic
8 Research Enterprise, including those identified below, indirectly through BR
9 Intermediate.

10 **52. Grandparent/Parent:** Defendant BR Cos, LLC (“**BR Cos**”) is a Delaware
11 limited liability company headquartered in Dover, Delaware. It maintains its principal
12 place of business and otherwise entirely operates out of the BR Headquarters. At all
13 relevant times, BR Cos, BR Holdings, and/or BR Intermediate have operated as
14 holding companies that either jointly or successively owned, directly or indirectly, all
15 affiliated entities within the Basic Research Enterprise, including those identified
16 below.

17 **53. Defendants’ California Contacts.** The Basic Research Enterprise,
18 directly and through its agents, has substantial contacts with and receives substantial
19 benefits and income from and through the State of California. Indeed, the Basic
20 Research Enterprise deliberately and intentionally has sold hundreds of millions of
21 dollars’ worth of the Products to hundreds of thousands of California consumers.
22 Because California is the most populous state in the country and thus, has a high
23 number of consumers comprising more than 10% of the Products’ national market
24 share and sales, it is a primary recipient of Defendants’ advertising, and accordingly,
25 Defendants have each worked to ensure that prospective purchasers in California are
26 targets of their deceptive marketing techniques. Defendants also worked with a
27 statistical analysis consulting firm in California that co-authored their self-funded
28 study designed to fraudulently substantiate each of the Products’ challenged

1 advertising claims. Defendants also attempt to create the appearance of scientific
2 legitimacy by attending conferences in California to present various abstracts and/or
3 purported substantiating research for the Products' challenged advertising claims. For
4 example, Defendants' employee, Amy Heaton, attended a conference in San
5 Francisco California in 2013, to present a mechanism of action study for the Products.
6 Defendants also planned to send Amy Heaton to attend a conference in San Diego to
7 present an abstract on a canine study for the Products that was canceled following the
8 COVID-19 pandemic. Additionally, one of Defendants' purported substantiating
9 studies for the Products was conducted in Los Angeles, California. Further,
10 Defendants respond to inquiries from California consumers. And Defendants
11 maintain a database of all direct to consumer purchases, including purchases placed
12 from Californians, and Products shipped to Californians, demonstrating that
13 Defendants knowingly and deliberately sold approximately \$100 million in Products
14 to Californians.

15 **54. Respondent Superior/Vicarious Liability.** At all relevant times
16 mentioned herein, Defendants were the agents, principals, employees, employers,
17 servants, masters, partners, parents, subsidiaries, successors, predecessors, and joint
18 venturers of each other. In doing the things hereafter alleged, Defendants were acting
19 within the course and scope of such agency, employment, partnership, joint venture,
20 and/or other said legal relationship, and with the consent, authority, ratification,
21 approval, and/or permission of each of the other.

22 **55. Aiding & Abetting.** At all relevant times, each Defendant aided and
23 abetted each other Defendant. Each Defendant knowingly gave substantial assistance
24 to each other Defendant who performed the wrongful conduct alleged herein.
25 Accordingly, each Defendant is jointly and severally liable for the damages
26 proximately caused by each other Defendant's wrongful conduct.

27 **56. Conspiracy.** At all relevant times, each Defendant was the co-conspirator
28 of each other Defendant, and, therefore, each Defendant is jointly and severally liable

1 for the damages sustained as a proximate result of each other Defendant. Each
2 Defendant entered into an express or implied agreement with each of the other
3 Defendants to commit the wrongs herein alleged. Each Defendant was aware that the
4 other Defendant planned to commit the wrongful acts alleged herein and each
5 Defendant agreed with each other Defendant and intended that the wrongful act be
6 committed. Each Defendant cooperated with each other Defendant to engage in the
7 wrongful conduct.

8 **57. Joint Venture.** At all relevant times, each Defendant was a member of
9 the joint venture that is the Basic Research Enterprise. Each Defendant combined its,
10 his, her, or their property, skill, and/or knowledge with the intent to carry out a single
11 business undertaking to sell cosmetics, nutritional supplements, and dietary
12 supplements, including the Products. Each Defendant had an ownership interest in the
13 Business Research Enterprise. Each Defendant had joint control over the Business
14 Research Enterprise, even if they agreed to delegate control. Each Defendant agreed
15 to share the profits and losses of the Basic Research Enterprise.

16 **58. Partnership.** At all relevant times, each Defendant was in a partnership
17 with each other Defendant whereby they agreed to share the profits and losses of the
18 Basic Research Enterprise.

19 **C. The Individual Defendants**

20 **(i) *Individual Defendant Bodee Gay.***

21 **59. Familial Relation.** Defendant Bodee Gay is the brother of Defendants
22 Daines, Humphries, and Blackett, and the son of the now-deceased founder and
23 former owner and chief executive officer of the Basic Research Enterprise (Dennis
24 Gay).

25 **60. Personal Acts.** Defendant Bodee Gay, as an executive officer and owner
26 of the Basic Research Enterprise, is personally responsible for the design, content,
27 approval, distribution of all product advertisements, including the specific
28 advertisements viewed and relied upon by Plaintiffs and Class members, as alleged

1 herein. Within the Defendants' business enterprise, Bodee Gay is the person
2 ultimately responsible for placing the advertisements for the Products, into the stream
3 of commerce and for selling the products in interstate commerce. Bodee Gay makes
4 the final decision on both the content of advertising and the final decision on product
5 pricing. Additionally, Bodee Gay has deliberately confused consumers as to the
6 source of various products, including SeroVital, Thrive, SeroDyne, and GF-9 that
7 Defendants (including Bodee Gay) manufacture, market, advertise, promote,
8 distribute, and sell. His intentional tortious acts and personal participation in the
9 wrongful conduct underlying this action deprive him of any protection he might
10 otherwise have for his personal liability under the corporate shield doctrine, or
11 otherwise.

12 **61. Dominion/Control.** In connection with the manufacturing, marketing,
13 advertising, promotion, distribution and sale of the Products, Defendant Bodee Gay
14 has exercised complete dominion and control over the Basic Research Enterprise such
15 that these companies are his alter ego, a sham, façade, and mere instrumentality for
16 his personal benefit, and he has disregarded and abused the corporate form and
17 structure of these companies.

18 **62. Abuse of Corporate Form.** Defendant Bodee Gay has misused the
19 corporate form of the Basic Research Enterprise entities to commit an intentional
20 fraud upon the public, in an effort to defeat the ends of justice and otherwise evade
21 the law, including with respect to the manufacture, marketing, advertisement,
22 promotion, distribution and sale of the Products.

23 **63. Artificial Tradenames.** In addition, Defendant Bodee Gay has
24 fraudulently created trademarks and the above-mentioned multiple corporations in
25 order to evade detection of his true identity as the individual with dominion and
26 control, also in order to defeat the ends of justice and otherwise evade the law,
27 including with respect to the marketing, advertising, promotion, distribution, and sale
28 of the Products.

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(ii) Individual Defendant Gina Daines.

64. **Familial Relation.** Defendant Daines is the sister of Defendants Bodee Gay, Humphries, and Blackett, and the daughter of the now-deceased founder and former owner and chief executive officer of the Basic Research Enterprise (Dennis Gay).

65. **Personal Acts.** Defendant Daines, as the Chief Marketing Officer and owner of the Basic Research Enterprise, is personally responsible for the design, content, approval, distribution of all product advertisements, including the specific advertisements viewed and relied upon by Plaintiffs and Class members, as alleged herein. Within the Defendants’ business enterprise, Daines is responsible for placing the advertisements for the Products into the stream of commerce and for selling the Products in interstate commerce. Holding herself out as a Marketing Executive and spokesperson for Defendant Basic Research as well as shell undercapitalized Defendants like SanMedica, Limitless Worldwide, and Novex Biotech, Daines makes the final decision on both the content of advertising and the final decision on product pricing. Additionally, Daines has deliberately confused consumers as to the source of various products, including SeroVital, Thrive, SeroDyne, and GF-9 that Defendants (including Daines) manufacture, market, advertise, promote, distribute, and sell. Her intentional tortious acts and personal participation in the wrongful conduct underlying this class action deprive her of any protection she might otherwise have for her personal liability under the corporate shield doctrine, or otherwise.

66. **Dominion/Control.** In connection with the manufacturing, marketing, advertising, promotion, distribution and sale of the Products, Defendant Daines has exercised complete dominion and control over the Basic Research Enterprise such that these companies are her alter ego, a sham, façade, and mere instrumentality for her personal benefit, and she has disregarded and abused the corporate form and structure of these companies.

1 **67. Abuse of Corporate Form.** Defendant Daines has misused the corporate
2 form of the Basic Research Enterprise entities to commit an intentional fraud upon
3 the public, in an effort to defeat the ends of justice and otherwise evade the law,
4 including with response to the manufacture, marketing, advertisement, promotion,
5 distribution and sale of the Products.

6 **68. Artificial Tradenames.** In addition, Defendant Daines has fraudulently
7 created trademarks and the above-mentioned multiple corporations in order to evade
8 detection of her true identity as the individual with dominion and control, also in order
9 to defeat the ends of justice and otherwise evade the law, including with respect to
10 the marketing, advertising, promotion, distribution, and sale of the Products.

11 ***(iii) Individual Defendant M. Friedlander.***

12 **69. Business Relation.** Originally partnered with the other Individual
13 Defendants’ father, Dennis Gay, Defendant Friedlander, as a marketing officer and
14 owner of the Basic Research Enterprise who invented SeroVital, is directly involved
15 in the invention, development, endorsement, advertising, marketing, and promotion
16 of Basic Research Enterprise products, including the Products. Friedlander is
17 responsible for the design, content, approval, distribution, and publication of
18 Defendants’ advertisements, including SeroVital advertisement viewed by Plaintiffs.

19 **70. Personal Acts.** Defendant Friedlander, as an executive officer and owner
20 of the Basic Research Enterprise, was personally responsible for the design, content,
21 approval, distribution of all product advertisements, including the specific
22 advertisements viewed and relied upon by Plaintiffs and Class members, as alleged
23 herein. Within the Defendants’ business enterprise, Friedlander is responsible for
24 placing the advertisements for the Products into the stream of commerce and for
25 selling the Products in interstate commerce. Friedlander makes the final decision on
26 both the content of advertising and the final decision on product pricing. Additionally,
27 Friedlander has deliberately confused consumers as to the source of various products,
28 including SeroVital, Thrive, SeroDyne, and GF-9 that Defendants (including

1 Friedlander) manufacture, market, advertise, promote, distribute, and sell.
2 Friedlander’s intentional tortious acts and personal participation in the wrongful
3 conduct underlying this class action deprive them of any protection they might
4 otherwise have for their personal liability under the corporate shield doctrine, or
5 otherwise.

6 71. **Inventor.** Defendant Friedlander also receives “royalty” payments for
7 each sale of various products marketed by Basic Research pursuant to a royalty
8 agreement and/or covenant not to sue between Friedlander and the Basic Research
9 Enterprise. Defendant Friedlander is also listed as the “inventor” of the SeroVital
10 formula on each of the 15 patents that have been granted to the SeroVital formula.

11 72. **FTC Order.** Defendant Friedlander is also personally subject to a twenty-
12 year FTC injunction against Defendant Basic Research, LLC and Dennis Gay—the
13 father of the other Individual Defendants Daines, Bodee Gay, Humphries, and
14 Blackett. The injunction, entered by the FTC on June 19, 2006, and terminating on
15 June 19, 2026, among other things: (1) proscribes the marketing and sale of dietary
16 supplements that provide health benefits through any affiliates, unless competent and
17 reliable scientific evidence supports the claims made about such products; (2)
18 prohibits the misrepresentation of any use of endorsements or trade names, as well as
19 the existence, contents, validity, results, conclusions, or interpretations of any test,
20 study, or research; and (3) mandates the advance and prompt disclosure of any change
21 in their corporate structure that may affect their compliance with the order at least
22 thirty days in advance of the change. *See* FTC Order, Dkt. 117-6, at §§ II, III, XI,
23 XIII; Bodee Gay Decl., Dkt. 117-9, at ¶¶ 2, 5, 11, 12 (admitting, under oath, that Basic
24 Research, LLC, SanMedica, and affiliated companies have common ownership and
25 management, and are bound to comply with the FTC Order with respect to marketing
26 and sale of SeroVital). There, as here, Defendant Friedlander used an identical scheme
27 to sell fake dietary supplements that do not provide the advertised health benefits,
28 using a slew of shell companies, trade names, and fake science to create an artificial

1 air legitimacy, while at the same time attempting to evade and compartmentalize
2 liability while reaping the profits of fraudulent sale to consumers. It is undisputable
3 that the FTC injunction prohibited the Basic Research Enterprise and Friedlander
4 from making unsubstantiated health benefit claims for dietary supplements like the
5 Products either “directly or through any corporation, subsidiary, division, or other
6 device”; and from “misrepresent[ing], in any manner, expressly or by implication,
7 including through the use of endorsements or trade names, the existence, contents,
8 validity, results, conclusions, or interpretations of any test, study, or research.” The
9 injunction also required Defendant Friedlander to notify the FTC if he discontinued
10 his business or employment current as of June 19, 2006 (with Basic Research, LLC
11 and its affiliates), and of his affiliation with any new business or employment, for a
12 period of ten years ending June 19, 2016. FTC Order, Dkt. 117-6, at § VIII.

13 **73. U.S. Postal Service Orders.** Defendant Friedlander has a lengthy record
14 of wrongdoing and violation of federal and state laws. Defendant Friedlander has been
15 the subject of “Cease and Desist” Orders and “False Representation” Orders issued
16 by the U.S. Postal Service in connection with Friedlander’s activities concerning the
17 marketing and sale of dietary supplements which were falsely advertised as providing
18 health benefits to virtually all users, as they were not substantiated by credible,
19 scientifically-derived evidence.

20 **74. Dominion/Control.** In connection with the manufacturing, marketing,
21 advertising, promotion, distribution, and sale of the Products, Defendant Friedlander
22 has exercised complete dominion and control over the Basic Research Enterprise such
23 that these companies are his alter ego, a sham, façade, and mere instrumentality for
24 his personal benefit, and he has disregarded and abused the corporate form and
25 structure of these companies.

26 **75. Abuse of Corporate Form.** Defendant Friedlander has misused the
27 corporate form of the Basic Research Enterprise entities to commit an intentional
28 fraud upon the public, in an effort to defeat the ends of justice and otherwise evade

1 the law, including with response to the manufacture, marketing, advertisement,
2 promotion, distribution and sale of the Products.

3 **76. Artificial Tradenames.** In addition, Defendant Friedlander has
4 fraudulently created trademarks and the above-mentioned multiple corporations in
5 order to evade detection of his true identity as the individual with dominion and
6 control, also in order to defeat the ends of justice and otherwise evade the law,
7 including with respect to the marketing, advertising, promotion, distribution, and sale
8 of the Products.

9 **(iv) Individual Defendant Haley Blackett.**

10 **77. Familial Relation.** Defendant Blackett is the sister of Defendants Bodee
11 Gay, Humphries, and Daines, and the daughter of the now-deceased founder and
12 former owner and chief executive officer of the Basic Research Enterprise (Dennis
13 Gay).

14 **78. Personal Acts—Employment.** Defendant Blackett has worked in
15 marketing at Basic Research and Bydex Management for 18 years and is an owner of
16 Basic Research, as well as other Basic Research “affiliated” companies. Individually
17 or acting in concert with the other Defendants, Blackett formulates, directs, controls,
18 or participates in the acts and/or business practices alleged in this Third Amended
19 Complaint. Defendant Daines explained that Blackett worked as the “traffic manager”
20 who “trafficked all the different marketing materials that needed to get completed and
21 made sure they got to different vendors and were reproduced or produced.” As an
22 owner of Basic Research, and in her role in marketing, Blackett has final decision-
23 making authority over work carried out in Basic Research’s marketing department,
24 which is responsible for the labeling, advertising, and media placement for dietary
25 supplements sold by Defendants.

26 **79. Personal Acts—Ownership.** Defendant Blackett, as an owner of Basic
27 Research is personally responsible for the design, content, approval, distribution of
28 all product advertisements, including the specific advertisements viewed and relied

1 upon by Plaintiffs and Class members, as alleged in this Third Amended Complaint.
2 Within the Defendants' business enterprise, Blackett is responsible for placing the
3 advertisements for the Products, into the stream of commerce and for selling the
4 products in interstate commerce. Blackett makes the final decision on both the content
5 of advertising and the final decision on product pricing. Additionally, Blackett has
6 deliberately confused consumers as to the source of various products, including
7 SeroVital, Thrive, SeroDyne, and GF-9 that Defendants (including Blackett)
8 manufacture, market, advertise, promote, distribute, and sell. Her intentional tortious
9 acts and personal participation in the wrongful conduct underlying this class action
10 deprive her of any protection she might otherwise have for her personal liability under
11 the corporate shield doctrine, or otherwise.

12 80. **Dominion/Control.** In connection with the manufacturing, marketing,
13 advertising, promotion, distribution, and sale of the Products, Defendant Blackett has
14 exercised complete dominion and control over the Basic Research Enterprise such
15 that these companies are her alter ego, a sham, façade, and mere instrumentality for
16 her personal benefit, and she has disregarded and abused the corporate form and
17 structure of these companies.

18 81. **Abuse of Corporate Form.** Defendant Blackett has misused the
19 corporate form of the Basic Research Enterprise entities to commit an intentional
20 fraud upon the public, in an effort to defeat the ends of justice and otherwise evade
21 the law, including with respect to the manufacture, marketing, advertisement,
22 promotion, distribution and sale of the Products.

23 82. **Artificial Tradenames.** In addition, Defendant Blackett has fraudulently
24 created trademarks and the above-mentioned multiple corporations in order to evade
25 detection of her true identity as the individual with dominion and control, also in order
26 to defeat the ends of justice and otherwise evade the law, including with respect to
27 the marketing, advertising, promotion, distribution, and sale of the Products.

28 (v) ***Individual Defendant Kimm Humphries.***

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83. **Familial Relation.** Defendant Humphries is the sister of Defendants Bodee Gay, Blackett, and Daines, and the daughter of the now-deceased founder and former owner and chief executive officer of the Basic Research Enterprise (Dennis Gay).

84. **Personal Acts—Employment.** Defendant Humphries works in customer service and in marketing purchasing media for Basic Research. Individually or acting in concert with the other Defendants, Humphries formulates, directs, controls, or participates in the acts and/or business practices alleged in this Third Amended Complaint. As an owner of Basic Research, and in her role in marketing, Blackett has final decision-making authority over work carried out in Basic Research’s marketing department, which is responsible for the labeling, advertising, and media placement for dietary supplements sold by Defendants.

85. **Personal Acts—Ownership.** Defendant Humphries, as an owner of Basic Research, is personally responsible for the design, content, approval, distribution of all product advertisements, including the specific advertisements viewed and relied upon by Plaintiffs and Class members, as alleged in this Third Amended Complaint. Within the Defendants’ business enterprise, Humphries is responsible for placing the advertisements for the Products, into the stream of commerce and for selling the products in interstate commerce. Humphries makes the final decision on both the content of advertising and the final decision on product pricing. Additionally, Humphries has deliberately confused consumers as to the source of various products, including SeroVital, Thrive, SeroDyne, and GF-9 that Defendants (including Humphries) manufacture, market, advertise, promote, distribute, and sell. Her intentional tortious acts and personal participation in the wrongful conduct underlying this class action deprive her of any protection she might otherwise have for her personal liability under the corporate shield doctrine, or otherwise.

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1 86. **Dominion/Control.** In connection with the manufacturing, marketing,
2 advertising, promotion, distribution, and sale of the Products, Defendant Humphries
3 has exercised complete dominion and control over the Basic Research Enterprise such
4 that these companies are her alter ego, a sham, façade, and mere instrumentality for
5 her personal benefit, and she has disregarded and abused the corporate form and
6 structure of these companies.

7 87. **Abuse of Corporate Form.** Defendant Humphries has misused the
8 corporate form of the Basic Research Enterprise entities to commit an intentional
9 fraud upon the public, in an effort to defeat the ends of justice and otherwise evade
10 the law, including with respect to the manufacture, marketing, advertisement,
11 promotion, distribution and sale of the Products.

12 88. **Artificial Tradenames.** In addition, Defendant Humphries has
13 fraudulently created trademarks and the above-mentioned multiple corporations in
14 order to evade detection of her true identity as the individual with dominion and
15 control, also in order to defeat the ends of justice and otherwise evade the law,
16 including with respect to the marketing, advertising, promotion, distribution, and sale
17 of the Products.

18 **D. Defendants Are Co-Conspirators Who Direct Their Conduct at**
19 **California Consumers**

20 89. Plaintiffs are informed and believe, and based thereon allege, that at all
21 times relevant herein each of these individuals and/or entities was the agent, servant,
22 employee, subsidiary, affiliate, partner, assignee, successor-in-interest, alter ego, or
23 other representative of each of the remaining Defendants and was acting in such
24 capacity in doing the things herein complained of and alleged.

25 90. In committing the wrongful acts alleged herein, Defendants planned and
26 participated in and furthered a common scheme by means of false, misleading,
27 deceptive, and fraudulent representations to induce members of the public in
28 California to purchase the Products. Defendants participated in the making of such

1 representations in that they did disseminate or cause to be disseminated said
2 misrepresentations in California.

3 91. Defendants, upon becoming involved with the manufacturing,
4 advertising, and sale of the Products, knew or should have known that the claims
5 about the Products’ ability to raise HGH levels and deliver anti-aging benefits were
6 false, deceptive, and misleading. Defendants affirmatively misrepresented the
7 benefits of the Products in order to convince the public and the Products’ users in
8 California to purchase and use the Products, resulting in profits of approximately 100
9 million of dollars or more to Defendants, all to the damage and detriment of the
10 consuming public.

11 92. Defendants have created and still perpetuate a falsehood that the Products
12 increase HGH levels in the human body and by doing so can provide “anti-aging”
13 benefits when the medical community has concluded that it cannot do so nor is it safe
14 to do so. As a result, Defendants’ consistent and uniform advertising claims about the
15 Product are false, misleading, and/or likely to deceive in violation of California and
16 federal advertising laws.

17 **E. Defendants’ Long-Standing Business Model of Falsely Advertising**
18 **Dietary Supplements that Provide Health Benefits and Misleadingly**
19 **Using Tradenames, Fake Science, and Shell Companies to Artificially**
20 **Legitimize Products**

21 93. Defendants’ long track record of disseminating false and misleading
22 advertisements for dietary supplements is evidenced by the fact that Defendants
23 Basic Research, LLC, Friedlander, and numerous affiliated entities, are the subject
24 of a 20-year injunction, entered by the FTC on June 19, 2006, and terminating on June
25 19, 2026, that, among other things: (1) proscribes the marketing and sale of dietary
26 supplements that provide health benefits through any affiliates, unless competent and
27 reliable scientific evidence supports the claims made about such products; (2)
28 prohibits the misrepresentation of any use of endorsements or trade names, as well as

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1 the existence, contents, validity, results, conclusions, or interpretations of any test,
2 study, or research; and (3) mandates the advance and prompt disclosure of any change
3 in their corporate structure that may affect their compliance with the order at least
4 thirty days in advance of the change (hereinafter the “**FTC Order.**” *See* FTC Order,
5 Dkt. 117-6, at §§ II, III, XI, XIII; Bodee Gay Decl., Dkt. 117-9, at ¶¶ 2, 5, 11, 12
6 (admitting, under oath, that Basic Research, LLC, SanMedica, and affiliates have had
7 common ownership and management are bound to comply with the FTC Order with
8 respect to marketing and sale of SeroVital). There, the FTC brought an enforcement
9 action against Basic Research, Friedlander, and their affiliated network of entities for
10 falsely advertising dietary supplements as providing weight loss benefits, and using a
11 variety of trade names and fake science to create an artificial sense of legitimacy. Just
12 like Basic Research and Friedlander did in the FTC action, here, Defendants falsely
13 advertise the Products as increasing HGH to provide anti-aging benefits, again using
14 a variety of trade names—SeroVital by SanMedica, Thrive and SeroDyne by
15 Limitless Worldwide, and GF-9 by Novex Biotech—and studies by Sierra Research
16 that, contrary to Defendants’ claims about those studies, either demonstrate the
17 Products do not increase HGH or lack any scientific reliability. The myriad entities
18 named in the FTC action, including their use of multiple trade names and affiliates to
19 artificially legitimize the dietary supplements, illustrates the extent to which
20 Defendants’ business model relies on shell companies, affiliates, and confusing
21 corporate structures to perpetrate their fraud. In addition to enjoining Basic Research,
22 LLC, Dennis Gay, Daniel B. Mowrey, and M. Friedlander’s fraudulent conduct, the
23 FTC ordered Basic Research, LLC to make a three-million-dollar payment to the FTC
24 on behalf of all respondents.

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F. Alter Ego Liability: The Individual Defendants and Defendant Basic Research Are Co-Conspirators Operating the Basic Research Enterprise Such That the Failure to Pierce the Corporate Veil Would Result in an Injustice

94. The Individual Defendants and Defendant Basic Research (consisting of Defendants BR Cos, BR Intermediate, BR Holdings, and BR) are subject to alter ego liability as the operators of the web of affiliates making up the Basic Research Enterprise. Each other Entity Defendant member of the enterprise is also an alter ego of the Individual Defendants and Defendant Basic Research because they are functionally indistinct from one another. Failure to pierce the corporate veil among these indistinguishable individuals and entities would result in injustice because it would sanction the Individual Defendants’ and Defendants’ Basic Research’s scheme to undercapitalize entities exposed to liability to protect their fraudulent and profitable sale of the SeroVital formula.

95. Individual Defendants Gay, Daines, Friedlander, Blackett, and Humphries are alter egos of the corporations they own that make up the Basic Research Enterprise because they operated the Basic Research Enterprise in a manner such that there was no legal distinction between them and the companies that comprise the Basic Research Enterprise with respect to the manufacture, marketing, and sale of the Products. The Defendants, and each of them, showed no regard for the purported separate nature of any of the supposedly separate corporate-affiliates, including Defendant Basic Research and the Operations-Entities Defendants, for the purposes of conducting a fraudulent scheme to sell fake medicine while evading liability by undercapitalizing the illusory affiliates, which do not operate separately from the Basic Research Enterprise or conduct any business outside of the enterprise’s business. This family-held partnership with Friedlander forms and uses these affiliates to transfer assets to the Individual Defendants and/or Defendant Basic Research and liabilities away from them and into judgment-proof shell companies.

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- a. **Ownership Structure.** The Individual Defendants Gay, Daines, Blackett, Humphries, and Friedlander, at various point in time throughout the Class Period, owned Defendant Basic Research (consisting of Defendants BR Cos, BR Intermediate, BR Holdings, and BR), which owned, at various points in the same time period, the web of Operations Entity Defendants (consisting of Defendants Sierra, Majestic, CRM, Bydex, SanMedica, Limitless Worldwide, and Novex Biotech).

- b. **Pooling of Assets in Remote Owners and Debts in Immediate Actors to Evade Liability.** At the Individual Defendants’ direction, Defendant Basic Research and the other Operations Entities Defendants comingled funds and/or otherwise consolidated assets in the Individual Defendants and/or Defendant Basic Research, and consolidated debts in Defendant Basic Research and/or the Operations-Entities Defendants. Individual Defendants purposefully pooled assets in remote owners and debts in immediate actors, including encumbering the undercapitalized entity-Defendants with a loan that exceeds one hundred million dollars, to avoid liability for their fraudulent marketing and sale of the Products. In other words, the Individual Defendants deliberately undercapitalized and underinsured Operations Entities and/or Defendant Basic Research, by improperly diverting assets away from said entities while at the same time encumbering those entities with debts for the entire Basic Research Enterprise’s operations, in an amount that exceeds the monetary value of their assets. Indeed, the Individual Defendants ensured none of the Basic Research Enterprise entities have insurance that covers the fraudulent marketing and sale of the Products at issue in this case.

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c. **Fictitious Compartmentalization of Liabilities in Operations-Entities Defendants.** At the Individual Defendants’ and Defendant Basic Research’s direction, the Basic Research Enterprise compartmentalized liability for its operations by forming additional shell Operations Entities. In so doing, the Individual Defendants and Defendant Basic Research intended: (1) Sierra Research to subsume all liability for the research, development, and formulation of the Products; (2) Majestic to subsume all liability for the marketing of the Products; (3) CRM to subsume all liability for customer service and direct-to-consumer Products sales; (4) BR to subsume liability for the distribution and sale of the Products through third-party retailers; (5) SanMedica to subsume all liability for the manufacture of SeroVital; (6) Limitless Worldwide to subsume all liability for the manufacture of Thrive and SeroDyne; (7) Novex Biotech to subsume all liability for the manufacture of GF-9; and (8) Bydex Management to subsume all liability for Basic Research Enterprise’s agents and employees’ individual acts or omissions. However, there is no meaningful distinction between these companies. They operate out of the same BR Headquarters, utilizing the same set of employees and equipment in unison to carryout Basic Research Enterprise’s racket of fraudulently manufacturing, marketing, and selling the Products. Indeed, their newest parent corporation, Phoenix (Dkt. 171), has taken out a Small Business Administration (“SBA”) loan through Basic Research Enterprise’s local bank, Zions Bank, in Salt Lake City, Utah, purportedly to retain over 100 employees. Yet, the Individual Defendant Gina Daines disclaimed, on behalf of Defendant SanMedica under oath pursuant to Fed. R. Civ P. 30(b)(6), that it

1 or its affiliates had any “employees” because the Basic Research
2 Enterprise purports to lease independent contractors from Bydex
3 Management. Further, the Operations Entities Defendants have
4 comingled funds, are encumbered with the debts of the entire Basic
5 Research Enterprise, and have had their assets diverted to the
6 Individual Defendants and/or Defendant Basic Research. The
7 Individual Defendants and Defendant Basic Research deliberately
8 designed this fictitious corporate structure to not only provide false
9 legitimacy to the Products to drive sales, but also to
10 compartmentalize liabilities for its operations in different shell
11 companies so that the Individual Defendants can reap the profits of
12 the Basic Research Enterprise without exposing each of themselves
13 or the entity-Defendants to the Enterprise’s liabilities.

14 d. **Entity-Defendants’ Common Ownership/Management to**
15 **Carryout Enterprise’s Singular Business Purpose.** The entity-
16 Defendants, including BR Cos, BR Intermediate, BR Holdings,
17 BR, Sierra, Majestic, CRM, Bydex, SanMedica, Limitless
18 Worldwide, and Novex Biotech, all, in fact, shared identical
19 officers, directors, supervisors, and/or managers, operated from the
20 same location, and all were owned by the individual Defendant
21 family members partnered with Friedlander, to engage in a singular
22 business enterprise—the manufacture, marketing, and sale of
23 supplements, nutraceuticals, and various consumer products that
24 purport to provide health-related benefits. The entity-defendants do
25 not conduct business for any other purpose, business, or
26 companies. Indeed, Individual Defendant Bodee Gay declared,
27 under oath, that Defendants BR and SanMedica share common
28 owners and managers. Dkt. 117-9. Similarly, Defendant Daines,

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and Amy Heaton have held themselves out as officers of multiple of the Operations Entities.

96. **Examples.** Examples demonstrating this common enterprise made up of affiliates that had no separate nature include that:

a. **Bydex as Purported Employer to All of Basic Research Enterprise’s Employees.** There is no distinction between Bydex Management and the companies that comprise the Basic Research Enterprise. The Individual Defendants created Bydex to act as a putative “employer” of all of the employees who work under the “Basic Research” banner, identify themselves as “Basic Research” employees, and consistently and without deviation work solely for the Basic Research Enterprise to manufacture, market, and sell supplements, nutraceuticals, and consumer products advertised to provide purported health benefits, just like the Products, to the exclusion of working for any companies outside of the Basic Research Enterprise. Bydex pays the salaries of all of the Enterprise’s workers for the different shell subsidiaries to manufacture, market, and sell the Basic Research Enterprise’s products, like the Products, including: Sierra Research (the Enterprise’s research and development arm); Majestic (the Enterprise’s marketing arm); BR (the Enterprise’s distribution arm); CRM (the Enterprise’s customer relations and direct-to-consumer sales arm); Bydex Management (the Enterprise’s putative employer and human resources arm); SanMedica (the nominal SeroVital manufacturer); Limitless Worldwide (the nominal Thrive and SeroDyne manufacturer); and Novex Biotech (the nominal GF-9 manufacturer). The Individual Defendants and Defendant Basic Research created Bydex Management to

1 artificially limit the liability of the rest of the entities that comprise
2 the Basic Research Enterprise for the individual workers’ acts and
3 omissions carried out in furtherance of the Basic Research
4 Enterprise’s profits.

5 b. **Nominal Product Manufacturers SanMedica, Limitless**
6 **Worldwide, and Novex Biotech.** During the Class Periods, there
7 was no distinction between SanMedica, Limitless Worldwide, and
8 Novex Biotech, or between said entities and the companies that
9 comprise the Basic Research Enterprise. Each of the Products share
10 the same exact formulation and purported substantiating science.
11 The Individual Defendants’ creation of unique “trademarks” for the
12 Products—SeroVital, Thrive, SeroDyne, and GF-9—and
13 formation of separate nominal manufacturers identified on the back
14 panel of each Product’s labels/packaging—SanMedica, Limitless
15 Worldwide, and Novex Biotech, respectively—is fictitious and
16 purely designed to create a false impression of legitimacy for the
17 “competing” Products, their formulation, and their fake supporting
18 science, as well as flood the marketplace with the false notion that
19 oral amino acids increase growth hormone and, in turn, provide
20 anti-aging benefits. None of the nominal manufacturers have
21 employees other than those who worked from the BR
22 Headquarters, who were paid by Bydex, and who solely worked for
23 the Basic Research Enterprise to manufacture, market, and sell
24 supplements, nutraceuticals, and consumer products advertised to
25 provide health benefits (like the Products). None of these nominal
26 manufacturers perform work for any companies outside of the
27 Basic Research Enterprise. None of these nominal manufacturers
28 use companies other than those in the Basic Research Enterprise to

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research, develop, formulate, market, distribute, sell, provide customer service, or provide and/or manage a workforce. The Individual Defendants and Defendant Basic Research created SanMedica, Limitless Worldwide, and Novex Biotech to artificially limit the liability of the rest of the entities that comprise the Basic Research Enterprise for their respective Products.

c. **Sierra Researched, Developed, and Formulated the Products.**

There is no distinction between Sierra Research and the companies that comprise the Basic Research Enterprise. The Individual Defendants and Defendant Basic Research established Sierra Research as the research and development arm of the Enterprise to give the Products a false sense of scientific validity by an “independent” organization. Yet, Sierra Research has no employees other than those who solely worked for the Basic Research Enterprise, who were paid by Bydex Management, and who work from the BR Headquarters, and who only work for the Basic Research Enterprise to manufacture, market, and sell supplements, nutraceuticals, and consumer products advertised to provide health benefits (like the Products). Sierra Research does not perform work for any companies outside of the Basic Research Enterprise. Sierra Research does not use companies other than those in the Basic Research Enterprise to research, develop, formulate, market, distribute, sell, provide customer service, or provide and/or manage a workforce. The Individual Defendants and Defendant Basic Research created Sierra Research to artificially limit the liability of the rest of the entities that comprise the Basic Research Enterprise for the research, development, and formulation of the Enterprise’s products, including the Products.

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1 d. **Majestic Marketed the Products.** There is no distinction between
2 Majestic and the companies that comprise the Basic Research
3 Enterprise. The Individual Defendants and Defendant Basic
4 Research established Majestic as the marketing arm of the
5 Enterprise to artificially limit liability for the marketing of
6 products, like the Products, of the entities that comprise the Basic
7 Research Enterprise, including the nominal manufacturers of the
8 Products (SanMedica, Limitless Worldwide, and Novex Biotech),
9 the employer/human resources branch (Bydex Management), the
10 distribution, sales and customer service branches (BR and CRM),
11 and the research, development, and formulation branch (Sierra
12 Research). Yet, Majestic has no employees other than those who
13 solely worked for the Basic Research Enterprise, who are paid by
14 Bydex Management, who work from the BR Headquarters, and
15 who solely worked for the Basic Research Enterprise to
16 manufacture, market, and sell supplements, nutraceuticals, and
17 consumer products advertised to provide health benefits (like the
18 Products). Majestic does not perform work for any companies
19 outside of the Basic Research Enterprise. Majestic does not use
20 companies other than those in the Basic Research Enterprise to
21 research, develop, formulate, market, distribute, sell, provide
22 customer service, or provide and/or manage a workforce.

23 e. **CRM and BR Sold the Products.** There is no distinction between
24 CRM and BR and the companies that comprise the Basic Research
25 Enterprise. The Individual Defendants and Defendant Basic
26 Research established BR as the distribution arm, and CRM as the
27 customer service and direct-to-consumer sales arm of the
28 Enterprise to artificially limit liability for the distribution and sale

1 of products, like the Products, of the entities that comprise the
2 Basic Research Enterprise, including the nominal manufacturers of
3 the Products (SanMedica, Limitless Worldwide, and Novex
4 Biotech), the employer/human resources branch (Bydex
5 Management), the marketing branch (Majestic), and the research,
6 development, and formulation branch (Sierra Research). Yet, CRM
7 and BR have no employees other than those who are paid by Bydex
8 Management, who work from the BR Headquarters, and who solely
9 work for the Basic Research Enterprise to manufacture, market,
10 and sell supplements, nutraceuticals, and consumer products
11 advertised to provide health benefits (like the Products). CRM and
12 BR do not perform work for any companies outside of the Basic
13 Research Enterprise. CRM and BR do not use companies other than
14 those in the Basic Research Enterprise to research, develop,
15 formulate, market, distribute, sell, provide customer service, or
16 provide and/or manage a workforce.

17 f. **Parent Corporations.** There is no distinction between the parent
18 companies, Defendant Basic Research (Defendants BR Cos, BR
19 Intermediate, BR Holdings, and BR), and the companies that
20 comprise the Basic Research Enterprise. The parent companies
21 have no employees other than those who work from the BR
22 Headquarters, who are paid by Bydex Management, and who
23 perform work solely for the Basic Research Enterprise to
24 manufacture, market, and sell supplements, nutraceuticals, and
25 consumer products advertised to provide health related benefits
26 (like the Products). The parent companies do not hold assets or
27 perform work for any companies other those that comprise the
28 Basic Research Enterprise. The parent companies do not use

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companies other than those in the Basic Research Enterprise to research, develop, formulate, market, distribute, sell, provide customer service, or provide and/or manage a workforce. The Individual Defendants and Defendant Basic Research created the Parent and Grandparent Operations Entities, including Defendant Basic Research, to consolidate assets in them and/or these remote parent corporations, and consolidate debts and liabilities in the immediate actors, the Operations-Entities (Defendants SanMedica, Limitless Worldwide, Novex Biotech, Sierra Research, Majestic, BR, CRM, and Bydex Management). The Individual Defendants and Defendant Basic Research schemed to saddle the Operations Entity Defendants with debts, and divert the overleveraged companies' assets to the further-removed Parent and Grandparent Entities, so that the Individual Defendants who own them may misappropriate corporate funds from the Parent companies, while artificially limiting the liability of the Individual Defendants and the Parent companies for Basic Research Enterprise's manufacture, marketing, and sale of supplements, nutraceuticals, and consumer products advertised to provide health related benefits (like the Products). Indeed, the Individual Defendants have failed to insure the Operations Entities delineated on packaging, the Operation Entities performing the functions of the various arms of the Enterprise Defendants, and Defendant Basic Research for liabilities stemming from the fraudulent manufacture, marketing, and sale of the Products at issue in this case, as well as encumbered these entities with debts that exceed their assets, so that the Individual Defendants may reap the profits of the Basic Research

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Enterprise while avoiding all liability by creating these judgment-proof shell companies.

g. **Deliberate Overleveraging.** The Individual Defendants and Defendant Basic Research deliberately encumbered the Operations Entity Defendants with a business loan exceeding one hundred million dollars and SBA loan of nearly two million dollars. The Individual Defendants and Defendant Basic Research used the assets of the Operations Entity Defendants to secure this business loans to retain employees for the entire Basic Research Enterprise and fund the Basic Research Enterprise’s singular business venture to manufacture, market, and sell supplements, nutraceuticals, and consumer products advertised to provide health-related benefits (like the Products). At the same time, the Individual Defendants and Defendant Basic Research diverted the shell companies’ profits, assets, and capital away from the entity-Defendants and into the pockets of the Individual Defendants. In this way, the Individual Defendants have successfully created judgment-proof shell companies to avoid liability for fraudulent misconduct at issue in this action.

h. **Products’ (Particularly SeroVital’s) Revenues Keep the Entire Enterprise Afloat.** The hundreds of millions of dollars in revenues from the sale of the Products, particularly Serovital, fund the entire Basic Research Enterprise, including operations that are purportedly distinct from the nominal manufacturers (Defendants SanMedica, Limitless Worldwide, and Novex Biotech), and operations that do not support the research, development, formulation, marketing, manufacture, distribution, sale, or staffing

1 needed for the Products. In this way, the Individual Defendants
2 have commingled the Enterprise's funds.

3 97. Based on the foregoing, and at all relevant times, each Defendant was the
4 alter ego of each other Defendant. Accordingly, Defendant Basic Research and the
5 Individual Defendants are jointly and severally liable for the damages proximately
6 caused by each other Defendant's wrongful conduct. There is a unity of interest and
7 ownership between amongst the Individual Defendants and the entity-Defendants that
8 they own and operate. The Individual Defendants and Defendant Basic Research
9 commingled the entity-Defendants' funds and/or other assets; failed to segregate the
10 entity-Defendants' funds and/or assets; diverted the entity-Defendants' funds and/or
11 assets to unauthorized uses; treated the entity-Defendant's assets as their own; failed
12 to obtain requisite authority before acting on the purported behalf of the entity-
13 Defendants; held each entity-Defendant out as liable for the debts of the other entity-
14 Defendants; failed to maintain adequate and separate corporate records for the entity-
15 Defendants; were the shared identical equitable and/or legal owners of the entity-
16 Defendants; exercised domination and control over each entity-Defendant; served as
17 the entity-Defendants' identical officers, directors, supervisors, and/or managers;
18 wholly owned the entity-Defendants as family members and/or through marital ties;
19 used the same office or business location, equipment, and/or computer network,
20 among other things to the entity-Defendants' joint business enterprise; employed the
21 same employees and/or attorneys to operate the entity-Defendants; failed to
22 adequately capitalize the business and/or the entity-Defendants; used the entity-
23 Defendants as mere shell(s), instrumentality(ies), and/or conduit(s) for a single
24 business venture; concealed and misrepresented the identity of the entity-Defendants'
25 responsible ownership, management, and/or financial interest for the joint enterprise;
26 concealed personal or unauthorized business activities to the detriment of the entity-
27 Defendants' finances; disregarded legal formalities for the entity-Defendants; failed
28 to maintain arm's length relationships amongst themselves and the entity-Defendants

1 as well as between and amongst the entity-Defendants; used the Operations-
2 Defendants to procure labor, services, goods, and/or monies for themselves and/or the
3 parent companies; diverted assets to the detriment of creditors for the entity-
4 Defendants; manipulated assets and liabilities to concentrate assets in themselves or
5 the parent companies and liabilities in the other Operations-Defendants; contracted
6 with consumers for the sale of the Products through BR or CRM with the intent to
7 avoid liability for those sales by using BR and CRM as a shield against their liability;
8 contracted for the research, development and formulation of the Products through
9 Sierra Research with the intent to avoid liability for its work by using Sierra Research
10 as a shield against their liability; contracted for the marketing of the Products through
11 Majestic with the intent to avoid liability for their marketing by using Majestic as a
12 shield against their liability; contracted for the manufacture of the Products through
13 SanMedica, Limitless Worldwide, and Novex Biotech with the intent to avoid liability
14 for their manufacture by using these nominal manufactures as a shield against
15 liability; contracted for the provision of labor to manufacture, market, and sell the
16 Products through Bydex Management with the intent to avoid liability for their
17 involvement by using Bydex Management as a shield against their liability; used each
18 entity-Defendant as a subterfuge for illegal transactions—specifically, the sale of the
19 Products to consumers; and/or formed and/or used the parent companies, Defendant
20 Basic Research (BR Cos, BR Intermediate, BR Holdings, and BR) to transfer to them
21 the Basic Research Enterprise’s assets and profits from the sale of the Products and
22 to transfer away from them the Enterprise’s growing liabilities for the fraudulent sale
23 of the Products.

24 **98. Underinsuring/Undercapitalizing/Over-leveraging to Avoid**
25 **Responsibility for Liabilities.** By underinsuring and undercapitalizing over-
26 leveraged and fake shell corporations, the Individual Defendants and Defendant Basic
27 Resesarch have misused the corporate form of the Basic Research Enterprise entities
28 to commit an intentional fraud upon the public, in an effort to defeat the ends of justice

1 and otherwise evade the law, including their liability for the manufacture, marketing,
2 advertisement, promotion, distribution, and sale of the Products.

3 **99. Concealment and Obfuscation of Identities.** The Individual Defendants
4 have fraudulently created trademarks, tradenames, and the shell companies that
5 comprise the Basic Research Enterprise to evade detection of their true identity as the
6 individuals with dominion and control over the Enterprise’s operations and shell
7 companies, and thereby defeat the ends of justice and otherwise evade the law,
8 including their liability for the manufacture, marketing, advertising, promotion,
9 distribution, and sale of the Products.

10 **100. Defendant Bodee Gay is an alter-ego of the Basic Research Enterprise**
11 operates the Basic Research Enterprise out of the BR Headquarters.

12 a. **Undercapitalized, Underinsured, and Overleveraged Nominal**
13 **Manufacturers.** Gay participated in a scheme to under insure,
14 undercapitalize, and overleverage each of the entity Defendants,
15 including the nominal manufacturers SanMedica, Limitless
16 Worldwide, and Novex Biotech, so that Gay and the Individual
17 Defendants could avoid liability for the fraudulent sale of the
18 SeroVital formula (including GF-9, SeroDyne, Thrive). As the
19 owner, director, and/or executive officer of the Basic Research
20 Enterprise, including each of the entity-Defendants, Gay was
21 responsible for ensuring each company, including the nominal
22 manufacturers, had adequate insurance, adequate capital, and were
23 not overleveraged so that they use their capital and revenues to fund
24 their individual business operations and cover resulting liabilities.
25 Instead, Gay and the Individual Defendants diverted assets to their
26 personal benefit and to the detriment of companies and their
27 liability-creditors. In other words, Gay used these three shell
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1 corporations as a façade for operations of the only real
2 stakeholders—Gay’s family members and Friedlander.

3 b. **Absence of Corporate Records.** This plan is further shown by the
4 absence of corporate records for the shell corporations that the
5 Individual Defendants hold out as the nominal manufacturers of the
6 Products—specifically, SanMedica, Limitless Worldwide, and
7 Novex Biotech, as well as the remainder of the Operations-
8 Defendants and the parent companies, Defendant Basic Research.
9 Instead, Defendant Basic Research maintains all records related to
10 the manufacture and sale of the Products. Gay and the other
11 Individual Defendants, as the owners, directors, and/or executive
12 officers of the entity-Defendants, were responsible for maintaining
13 those entities’ corporate records. Instead, they fraudulently created
14 and operated these corporations without corporate records
15 documenting, for example, all resolutions of the board, minutes,
16 ownership interests and rights, shareholder agreements, powers,
17 and obligations, the powers and obligations of the board, executive
18 officer compensation, distribution of dividends, loans, etc., to
19 evade detection and to hide that Gay is an individual with dominion
20 and control of the Basic Research Enterprise.

21 c. **Disregard of Legal Separation.** Gay and the other Individual
22 Defendants’ scheme also does not observe corporate formalities,
23 including the failure of the nominal manufacturers (SanMedica,
24 Limitless Worldwide, and Novex Biotech) to enter into contracts
25 to pay the other Operations-Defendants for services and goods
26 provided to the nominal manufacturers, including for Bydex’s
27 purported leasing of employees, Sierra Research’s research,
28 development, and formulation of the Products, Majestic’s

1 marketing of the Products, BR's distribution of the Products, and
2 CRM's direct-to-consumer sales and provision of customer service
3 for the Products. As the owner, director, and/or executive officer
4 for the Basic Research Enterprise, including each of the entity-
5 Defendants, Gay is responsible for the dearth of contracts between
6 them and their comingling of funds, assets, and debts.

7 d. **Sham Nominal Manufacturers & Artificial Degrees of**
8 **Separation.** Similarly, Gay and the Individual Defendants were
9 responsible, as owners, directors, and/or executive officers of the
10 Basic Research Enterprise, including each of the entity-
11 Defendants, for forming each of the shell companies, including the
12 grandparent and parent companies, Defendant Basic Research in
13 which they hold legal ownership interests, and the Operations
14 Defendants, in which they hold equitable or beneficial ownership
15 interests. Gay and the Individual Defendants deliberately chose to
16 identify the illusory undercapitalized, underinsured, and
17 overleveraged nominal manufacturers (SanMedica, Limitless
18 Worldwide, Novex Biotech) as the manufacturers of the Products.
19 Gay and the Individual Defendants also separated themselves from
20 these nominal manufactures by structuring their ownership interest
21 in the grandparent companies, which wholly owned the parent
22 companies, which wholly owned the Operations-Entities
23 Defendants. In this way, Gay and the Individual Defendants
24 purposely held out the nominal manufacturers to the public as the
25 companies responsible for the Products to absorb liability for the
26 Individual Defendant's scheme and operation of the Basic
27 Research Enterprise, conceal the Individual Defendants' true
28 participation and direct liability, obfuscate the involvement of the

1 other Operations-Entities (such as Sierra Research, Majestic, BR,
2 CRM, and Bydex), and use the parent companies to create artificial
3 degrees of separation between the Individual Defendants and the
4 nominal manufacturers.

5 e. **Sham Nominal Manufacturers & Sierra Research to**
6 **Perpetrate Fraud.** And, because Gay and the Individual
7 Defendants were directly involved in the marketing and sales
8 strategy for the Products and responsible for forming each of the
9 shell companies in the Basic Research Enterprise as its owners,
10 directors, and/or executive officers, they directly participated in the
11 creation of the Products’ nominal manufacturers (SanMedica,
12 Limitless Worldwide, and Novex Biotech) and the purported
13 “independent” research and development company (Sierra
14 Research). In forming these companies, Gay and the Individual
15 Defendants intended to market the SeroVital formula under
16 different brand names to obfuscate Gay and the other Individual
17 Defendants’ scheme to make it appear to the public that there were
18 several HGH products available on the market, which were
19 scientific validated by an “independent” professional organization
20 dedicated to the research and development of supplements, and
21 thus that there was scientific consensus on the efficacy of these fake
22 worthless Products.

23 f. **Alter-Egos.** Gay and the other Individual Defendants exercised
24 complete dominion and control over the Basic Research Enterprise
25 such that the shell companies are their mere alter-egos, shams,
26 shells, and are a mere instrumentality for Gay and the Individual
27 Defendants’ personal benefit of reaping the rewards of the
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fraudulent sale of the SeroVital formula, while evading all liability for this massive consumer fraud.

101. Defendant Gina Daines is an alter-ego of the Basic Research Enterprise who operates the Basic Research Enterprise out of the BR Headquarters.

- a. Daines participated in a scheme to undercapitalize named manufacturer corporations like SanMedica, Limitless Worldwide, and Novex Biotech so that Daines and her co-conspirators could avoid liability for the fraudulent sale of the SeroVital formula (including GF-9, SeroDyne, Thrive). In effect, Daines diverted assets to the detriment of liability-creditors. In other words, Daines used these three shell corporations as a façade for operations of the real stockholders—Daines’s family members along with Friedlander.
- b. This plan is further shown by the absence of corporate records for the shell corporations that the Individual Defendants hold out as the manufacturers of the Products. Instead, Defendant Basic Research maintains all records related to the manufacture and sale of the Products. Daines and the other Individual Defendants fraudulently created and operated these trademark corporations to evade detection and to hide that she is an individual with dominion and control of the Basic Research Enterprise.
- c. Daines and the other Individual Defendants’ scheme also does not observe corporate formalities. For example, as Chief Marketing Office for Basic Research, Daines was responsible for the distribution of the Products with packaging that identified illusory undercapitalized manufactures (*i.e.* SanMedica, Limitless Worldwide) that Daines and the Individual Defendants purposely

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held out to absorb liability for the Individual Defendant’s scheme and operation of the Basic Research Enterprise.

- d. She was also a participant in marketing the SeroVital formula under different brand names to obfuscate her and the other Individual Defendant’s scheme to make it appear to the public that there were several Products available on the market, and thus that there was scientific consensus on the efficacy of these fake worthless Products.
- e. Daines and the other Individual Defendants exercised complete dominion and control over the Basic Research Enterprise such that the other companies are mere alter-egos, shams, shells, and are mere instrumentality for her personal benefit of reaping the rewards of the fraudulent sale of the SeroVital formula.

102. Defendant Friedlander is an alter-ego of the Basic Research Enterprise who operates the Basic Research Enterprise out of the BR Headquarters.

- a. Like Friedlander had done in the past with other products, Friedlander organized a scheme to undercapitalize named manufacturer corporations like SanMedica, Limitless Worldwide, and Novex Biotech so that Freidlander and Friedlander’s co-conspirators could avoid liability for the fraudulent sale of the SeroVital formula (including GF-9, SeroDyne, Thrive). In effect, Friedlander diverted assets to the detriment of liability-creditors. In other words, Freidlander used these three shell corporations as a façade for operations of the real stockholders—Friedlander and Friedlander’s former partner’s family members.
- b. This plan is further shown by the absence of corporate records for the shell corporations that the Individual Defendants hold out as the manufacturers of the Products. Instead, Defendant Basic

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Research maintains all records related to the manufacture and sale of the Products. Friedlander and the other Individual Defendants fraudulently created and operated these trademark corporations to evade detection and to hide that Friedlander is an individual with dominion and control of the Basic Research Enterprise.

c. Friedlander and the other Individual Defendants’ scheme also does not observe corporate formalities. For example, while Friedlander has been a marketing officer and owner of the Basic Research Enterprise—who was directly involved in the invention, development, endorsement, advertising, marketing, and promotion of the Products—the Products were distributed with packaging that identified illusory undercapitalized manufactures (i.e. San Medica, Limitless Worldwide) that Friedlander and the Individual Defendants purposely held out to absorb liability for the Individual Defendant’s scheme and operation of the Basic Research Enterprise.

d. Friedlander was also a participant in marketing the SeroVital formula under different brand names to obfuscate Friedlander and the other Individual Defendant’s scheme to make it appear to the public that there were several Products available on the market, and thus that there was scientific consensus on the efficacy of these fake worthless Products.

e. Friedlander and the other Individual Defendants exercised complete dominion and control over the Basic Research Enterprise such that the other companies are mere alter-egos, shams, shells, and are mere instrumentality for Friedlander’s personal benefit of reaping the rewards of the fraudulent sale of the SeroVital formula.

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f. Siphoning off funds from the Basic Research Enterprise, Friedlander also receives royalty payments pursuant to a royalty agreement and/or covenant not to sue between Friedlander and the Basic Research Enterprise.

g. Friedlander has also been warned against operating such schemes with co-conspirators from the family that Friedlander owns the Enterprise with. The other Individual Defendants’ father and Friedlander were enjoined by the FTC from using the same scheme to sell the dietary supplements at issue. Specifically, both were enjoined from “making unsubstantiated claims” “directly or through any corporation, subsidiary, division, or other device” from, among other things, “misrepresent[ing], in any manner, expressly or by implication, including through the use of endorsements or trade names, the existence, contents, validity, results, conclusions, or interpretations of any test, study, or research.” Friedlander operates the same scheme here only this time with the SeroVital formula and his former business partner’s decedents.

103. Defendant Haley Blackett is an alter-ego of the Basic Research Enterprise who operates the Basic Research Enterprise out of the BR Headquarters.

a. Blackett participated in a scheme to undercapitalize named manufacturer corporations like SanMedica, Limitless Worldwide, and Novex Biotech so that Daines and her co-conspirators could avoid liability for the fraudulent sale of the SeroVital formula (including GF-9, SeroDyne, Thrive). In effect, Blackett diverted assets to the detriment of liability-creditors. In other words, Blackett used these three shell corporations as a façade for

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operations of the real stockholders—Blackett’s family members along with Friedlander.

b. This plan is further shown by the absence of corporate records for the shell corporations that the Individual Defendants hold out as the manufacturers of the Products. Instead, Defendant Basic Research maintains all records related to the manufacture and sale of the Products. Blackett and the other Individual Defendants fraudulently created and operated these trademark corporations to evade detection and to hide that she is an individual with dominion and control of the Basic Research Enterprise.

c. Blackett and the other Individual Defendants’ scheme also does not observe corporate formalities. For example, while Blackett worked in marketing at Basic Research and Bydex Management for 18 years and an owner of Basic Research, as well as other Basic Research “affiliated” companies she was responsible for the distribution of the Products with packaging that identified illusory undercapitalized manufactures (*i.e.* SanMedica, Limitless Worldwide) that Blackett and the Individual Defendants purposely held out to absorb liability for the Individual Defendant’s scheme and operation of the Basic Research Enterprise.

d. She was also a participant in marketing the SeroVital formula under different brand names to obfuscate her and the other Individual Defendant’s scheme to make it appear to the public that there were several Products available on the market, and thus that there was scientific consensus on the efficacy of these fake worthless Products.

e. Blackett and the other Individual Defendants exercised complete dominion and control over the Basic Research Enterprise such that

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the other companies are mere alter-egos, shams, shells, and are mere instrumentality for her personal benefit of reaping the rewards of the fraudulent sale of the SeroVital formula.

104. Defendant Kim Humphries is an alter-ego of the Basic Research Enterprise who operates the Basic Research Enterprise out of the BR Headquarters.

- a. Humphries participated in a scheme to undercapitalize named manufacturer corporations like SanMedica, Limitless Worldwide, and Novex Biotech so that Daines and her co-conspirators could avoid liability for the fraudulent sale of the SeroVital formula (including GF-9, SeroDyne, Thrive). In effect, Humphries diverted assets to the detriment of liability-creditors. In other words, Humphries used these three shell corporations as a façade for operations of the real stockholders— Humphries’ family members along with Friedlander.
- b. This plan is further shown by the absence of corporate records for the shell corporations that the Individual Defendants hold out as the manufacturers of the Products. Instead, Defendant Basic Research maintains all records related to the manufacture and sale of the Products. Humphries and the other Individual Defendants fraudulently created and operated these trademark corporations to evade detection and to hide that she is an individual with dominion and control of the Basic Research Enterprise.
- c. Humphries and the other Individual Defendants’ scheme also does not observe corporate formalities. For example, while Humphries worked in customer service and in marketing purchasing media for Basic Research the Products were distributed with packaging that identified illusory undercapitalized manufactures (*i.e.* SanMedica, Limitless Worldwide) that Humphries and the Individual

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Defendants purposely held out to absorb liability for the Individual Defendant’s scheme and operation of the Basic Research Enterprise.

d. She was also a participant in marketing the SeroVital formula under different brand names to obfuscate her and the other Individual Defendant’s scheme to make it appear to the public that there were several Products available on the market, and thus that there was scientific consensus on the efficacy of these fake worthless Products.

e. Humphries and the other Individual Defendants exercised complete dominion and control over the Basic Research Enterprise such that the other companies are mere alter-egos, shams, shells, and are mere instrumentality for her personal benefit of reaping the rewards of the fraudulent sale of the SeroVital formula.

III. JURISDICTION AND VENUE

105. This Court has subject matter jurisdiction of this action pursuant to 28 U.S.C. Section 1332 of the Class Action Fairness Act of 2005 because: (i) there are 100 or more class members, (ii) there is an aggregate amount in controversy exceeding \$5,000,000, exclusive of interest and costs, and (iii) there is minimal diversity because at least one plaintiff and defendant are citizens of different states. This Court has supplemental jurisdiction over any state law claims pursuant to 28 U.S.C. Section 1367.

106. Pursuant to 28 U.S.C. Section 1391, this Court is the proper venue for this action because a substantial part of the events, omissions, and acts giving rise to the claims herein occurred in this District: Plaintiffs are citizens of California and Plaintiff Pizana resides in this District; Defendants made the challenged false representations to Plaintiff Pizana in this District; Plaintiff Pizana purchased the Product in this District; and Plaintiff Pizana used the Product within this District.

1 Moreover, Defendants receive substantial compensation from sales in this District,
2 and Defendants made numerous misrepresentations which had a substantial effect in
3 this District, including but not limited to, label, packaging, internet, and infomercial
4 advertisements, among other advertising.

5 107. Defendants are subject to personal jurisdiction in California based upon
6 sufficient minimum contacts which exist between Defendants and California.
7 Defendants are authorized to do and doing business in California.

8 **IV. FACTUAL BACKGROUND**

9 **A. Defendants Operate the Basic Research Enterprise in Such a Way as**
10 **to Ensure that Consumers Who Purchase Their “Miracle Pills” Are**
11 **Defrauded**

12 108. Individual Defendants Bodee Gay, Gina Daines, Haley Blackett, and
13 Kimm Humphries inherited the Basic Research family business and their father’s
14 partnership with Defendant Friedlander, including the family practice of perpetuating
15 false representations to unsuspecting consumers through misleading advertising and
16 label claims, and operating a complex corporate enterprise to shield it from liability.

17 109. Defendants contrived and developed a dietary supplement consisting of a
18 blend of five amino acids and one herb (originally called SeroVital) that Defendants
19 claim can increase HGH levels that then result in an anti-aging miracle.

20 110. To confuse and defraud consumers, Defendants chose to market,
21 advertise, and sell the Products under different names: SeroVital, Thrive, SeroDyne,
22 and GF-9. Additionally, Defendants chose to sell the Products from Utah to
23 consumers in California and around the country under three different entities:
24 Defendants SanMedica (to sell SeroVital), Limitless Worldwide (to sell Thrive and
25 SeroDyne), and Novex Biotech (to sell GF-9). Defendants intentionally decided to
26 use three different companies to sell the Products three ways: by marketing the
27 identical products as separate brands being sold by purportedly different companies,
28 Defendants would create the appearance of a robust and competitive market for oral

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1 amino acids, which would contribute to the public perception that they are legitimate
2 Products that provide anti-aging benefits and not snake oil being marketed by single
3 fraudster.

4 111. As evidence of the similarity of Products, each Product retails for \$99 per
5 box.³

6 112. Most of the Products are sold on entirely different websites, with no
7 apparent reference to one another. Defendants own and control each of these websites
8 and have designed each website to obfuscate the fact that each Product is part of a
9 family of Products sold by the same affiliated group, and Defendants use the websites
10 to disseminate misleading information about the Products over interstate wires, from
11 the BR Headquarters in Utah, to consumers in California and around the country.
12 Interestingly, on growthfactor9.com, GF-9 is marketed as “the first-and only-dietary
13 supplement clinically shown to naturally increase your own GH levels up to 682%”—
14 even though the original formula was called SeroVital. Similarly, on
15 mylimitlessww.com, Limitless Worldwide markets itself as having “discovered a
16 radical new concept” in Thrive. Limitless Worldwide also sells SeroDyne as a
17 “radical, new, proprietary amino acid compound” on mylimitelessww.com while
18 identifying it as a “SeroVital Complex.” And on Serovital.com, SeroVital is marketed
19 as a “revolutionary Renewal Complex.”

20 113. To create the appearance that the Products are backed by legitimate
21 independent research, Defendants decided that Basic Research’s own in-house
22 research and development arm should operate under an entirely different name,
23 Defendant Sierra Research, and created a separate entity to further the goals of their
24 conspiracy. But Defendant Sierra Research does not have any employees that do not
25 also work for Basic Research. Instead, Amy Heaton and the other so-called employees

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27 ³ As part of this same scheme, Defendants also sell the SeroVital formula under the
28 brand name Nouriche Fertility. Defendants use the same misleading claims about its
study on SeroVital to support its claim that Nouriche Fertility provides anti-aging
benefits that promote fertility.

1 of Sierra Research are paid by Defendant Bydex Management like other Basic
2 Research employees.

3 114. Defendants, with the help of their employee—Amy Heaton of Defendant
4 Sierra Research—intentionally misrepresent the significance of Defendants’ double-
5 blind placebo-controlled trials on SeroVital. In particular, Defendants tout these trials
6 on labels, and on Product websites to convince reasonable consumers and the general
7 public that there is sound scientific support for their Products, and in particular, that
8 HGH can reverse the signs of aging. The scientific backing is a sham, however, and
9 Defendants know this. Indeed, in rejecting Defendants’ analysis of the results of its
10 study, reviewers for one peer-reviewed publication explained that Defendants over
11 emphasized the impact of oral amino acids and that “Baseline hGH in the participants
12 taking placebo was about 500% higher than in the participants taking amino acid
13 supplement. They are unreliable and unexplained data. At the same time the authors
14 state that ‘the mean value for hGH was slightly higher [...] the difference was not
15 statistically significant.’ Without explaining the reason of such a huge difference
16 (>500%) it is impossible to specify the increase of hGH at 120 minutes (682%).
17 Taking into account that each participant served as their own control, there should not
18 be any difference in baseline hGH.” Defendants rely on Dr Heaton’s flawed analysis
19 of study data to substantiate its claims for the Products and disseminate this
20 information to consumers via Product labels, websites, Product fact sheets, and emails
21 in response to consumer inquiries from Utah to consumers in California and around
22 the country using interstate wires. This study, however, demonstrates the opposite of
23 Defendants’ claims because the data shows that the Products are no better than a
24 placebo.

25 115. Despite the reality that Defendants’ own study shows the opposite of what
26 they claim, Defendants continue to cite their study disseminated over interstate wires,
27 such as on each of the Product websites, Product labels, Product fact sheets, and
28 emails in response to consumers inquiries to support their claims about each of the

1 Products—Products that are also sold under different product and company names.
2 Indeed, for years, Defendants have knowingly engaged in a pattern of omissions and
3 misrepresentations over interstate wires, executed through their deceptive corporate
4 structures, to sell its placebos to consumers in California and around the country.
5 Defendants’ enterprise of affiliates and the sale of the Products are devised to defraud
6 Plaintiffs and Class members.

7 116. Defendants have used their various entities as tools or instrumentalities
8 to carry out schemes or artifices to defraud. Defendants’ schemes or artifices to
9 defraud Plaintiffs and Class members have consisted of systematic and continuing
10 practices of disseminating through the United States mail and interstate wire facilities
11 false and misleading information via television commercials, Internet websites and
12 postings, point-of-purchase advertisements, national magazine advertisements, and
13 the Products’ packaging, intended to coax unsuspecting customers, including
14 Plaintiffs and the members of the Class, into purchasing millions of dollars’ worth of
15 the Products manufactured, marketed, advertised, and sold by Defendants.

16 **B. SeroVital’s False and Misleading Advertising and Label Claims**

17 117. SeroVital is sold online, via infomercials, and at retail outlets across
18 California and the United States. Defendants rely on interstate wires to advertise it to
19 consumers and receive revenues from its sale, both directly from consumers and from
20 middleman retailers and distributors that sell SeroVital. Defendants also rely on the
21 mail to distribute SeroVital from the BR Headquarters in Utah to consumers,
22 distributors, and retailers around the country.

23 118. Every unit of SeroVital sold by Defendants conveys a consistent false and
24 misleading message to consumers—that the SeroVital causes a “682% mean increase
25 in HGH levels” and that HGH is “associated with wrinkle reduction, decreased body
26 fat, increased lean muscle mass, stronger bones, improved mood, [and] heightened
27 sex drive” so as to make “users look and feel decades – not years, but *DECADES* –
28 younger.”

1 119. Because Defendants represent that the SeroVital will cause a “682% mean
2 increase in HGH levels,” and that HGH will provide certain benefits listed on the
3 label, consumers reasonably believe that the HGH increase from the SeroVital will
4 cause wrinkle reduction, decrease body fat, increase lean muscle mass, strengthen
5 bones, improve mood, and heighten sex drive such that they will “look and feel
6 decades – not years, but DECADES – younger”—as claimed on the label. A true and
7 correct representation of the SeroVital’s front label is shown below.



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23 120. Reasonable consumers are misled by Defendants’ representations
24 because SeroVital does not cause a “682% mean increase in HGH levels.” Defendants
25 also deceive reasonable consumers into believing that the increased HGH levels
26 achieved by the SeroVital will provide the purported benefits of HGH, including
27 wrinkle reduction, decreased body fat, increased lean muscle mass, stronger bones,
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1 improved mood, [and] heightened sex drive” such that they will look and feel years
2 younger.

3 121. From the BR Headquarters in Utah to consumers in California and around
4 the country, Defendants direct and disseminate false representations about the
5 SeroVital as part of their fraudulent scheme to convince consumers that HGH has
6 anti-aging benefits. The specific false and misleading representations concerning the
7 SeroVital include, but are not limited to, the following:

- 8 a. “Turn back time with the ‘anti-aging’ breakthrough everyone is
9 talking about!”
- 10 b. “It’s clear that Growth Hormone has been associated with wrinkle
11 reduction, decreased body fat, increased lean muscle mass,
12 stronger bones, improved mood, heightened sex drive, and making
13 users look and feel decades—not years, but DECADES – younger”
- 14 c. “682% mean increase in HGH levels”
- 15 d. “Clinically tested”
- 16 e. “Human Growth Hormone Secretagogue”
- 17 f. “Maximum strength formula”
- 18 g. “Peak growth hormone levels associated with: Youthful Skin
19 Integrity* Lean Musculature* Elevated Energy Production*
20 Adipose Tissue Distribution”
- 21 h. “Now, after more than 20 years of time-consuming, detailed
22 research, there's finally an affordable oral formula that encourages
23 the pituitary gland to increase growth hormone production
24 naturally, without dangerous drugs or synthetic hormone
25 injections.”

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C. The Substantially Similar Products’ Misleading Advertising and Label Claims

122. Defendants’ GF-9, Thrive, and SeroDyne products are the same formula as SeroVital and are sold as part of the same racketeering scheme.

123. **Thrive.** Thrive is sold online, via infomercials, and at retail outlets across California and the United States. As with SeroVital, Defendants rely on interstate wires to advertise GF-9 and Thrive to consumers and receive revenues from their sale, both directly from consumers and from middleman retailers and distributors that sell these Products. Defendants also rely on the mail to distribute these Products from the BR Headquarters in Utah to consumers, distributors, and retailers around the country.

124. Thrive conveys a consistent false and misleading message to consumers—that the SeroVital causes a “mean 8-fold increase in serum growth hormone levels after a single oral serving of the supplement” and that HGH “helps maintain healthy bone strength, increase elastin and reduces wrinkles” and makes users “look and feel decades younger. Not years ... DECADES younger”

125. From the BR Headquarters in Utah to consumers in California and around the country, Defendants direct and disseminate false representations about Thrive as part of their fraudulent scheme to convince consumers that HGH has anti-aging benefits. The specific false and misleading representations concerning the SeroVital include, but are not limited to, the following:

- a. “Fountain of Youth”
- b. “Look younger”
- c. “Feel younger:
- d. “Lose body fat”
- e. “Increase muscle tone”
- f. “Have an increased sex drive”

126. Reasonable consumers are misled by Defendants’ representations because the Product does not cause a “mean 8-fold increase in serum growth hormone

1 levels after a single oral serving of the supplement.” Defendants also deceive
2 reasonable consumers into believing that the increased HGH levels achieved by the
3 Product will provide the purported benefits of HGH, including wrinkle reduction,
4 decreased body fat, increased lean muscle mass, stronger bones, improved mood, and
5 heightened sex drive such that they will look and feel years younger.

6 127. **SeroDyne.** SeroDyne is sold online, via infomercials, and at retail outlets
7 across California and the United States.

8 128. SeroDyne conveys a consistent false and misleading message to
9 consumers—that it “complements your body’s natural production of this pituitary
10 peptide after a single oral serving of the supplement.” Because SeroDyne relies on
11 the same double-blind placebo-controlled study to support its claims, it is apparent
12 that this “pituitary peptide” is a reference to HGH.

13 129. From the BR Headquarters in Utah to consumers in California and around
14 the country, Defendants direct and disseminate false representations about SeroDyne
15 as part of their fraudulent scheme to convince consumers that their “this pituitary
16 peptide” has anti-aging benefits. The specific false and misleading representations
17 concerning the Product include, but are not limited to, the following:

- 18 a. “more energy”
- 19 b. “less fat”
- 20 c. “more lean muscle mass”
- 21 d. “stronger bones”
- 22 e. “a better sex drive”
- 23 f. “younger-looking skin”

24 130. Reasonable consumers are misled by Defendants’ representations
25 because SeroDyne does not “complement[] your body’s natural production of this
26 pituitary peptide after a single oral serving of the supplement.” Defendants also
27 deceive reasonable consumers into believing that the amino acid compound will
28 “complement production” of “a specific pituitary peptide” and provide the purported

1 benefits of the “pituitary peptide,” including increase lean muscle mass, stronger
2 bones, improved mood, more energy, better mood, and heightened sex drive such that
3 they will look and feel years younger.

4 131. **GF-9.** GF-9 is sold online, via infomercials, and at retail outlets across
5 California and the United States.

6 132. GF-9 conveys a consistent false and misleading message to consumers—
7 that the product increases GH levels “by up to 682% safely for a more youthful,
8 stronger, and active body.”

9 133. From the BR Headquarters in Utah to consumers in California and around
10 the country, Defendants direct and disseminate false representations about GF-9 as
11 part of their fraudulent scheme to convince consumers that HGH has anti-aging
12 benefits. The specific false and misleading representations concerning the Product
13 include, but are not limited to, the following:

- 14 a. “more energy”
- 15 b. “less fat”
- 16 c. “Quicker recovery”
- 17 d. “Improved sleep”
- 18 e. “More energy”
- 19 f. “Better mood”
- 20 g. “Increased sex drive”

21 134. Reasonable consumers are misled by Defendants’ representations
22 because the SeroVital does not increase GH levels “by up to 682% safely for a more
23 youthful, stronger, and active body.” Defendants also deceive reasonable consumers
24 into believing that the increased HGH levels achieved by the Product will provide the
25 purported benefits of HGH, including increase lean muscle mass, stronger bones,
26 improved mood, more energy, better mood, and heightened sex drive such that they
27 will look and feel years younger.
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D. Plaintiffs’ Experts Confirm That Defendants’ Advertising Is Provably False and Misleading:

135. Plaintiffs have retained two leading experts in the areas of endocrinology and growth hormone in connection with the claims made herein: Dr. Shlomo Melmed, M.D. (“Dr. Melmed”) and Dr. David H. Madoff, M.D., Ph.D. (“Dr. Madoff”). Attached hereto and incorporated by reference herein as Exhibit 1 is the declaration of Dr. Melmed (“Melmed Decl.”). Attached hereto and incorporated by reference herein as Exhibit 2 is the declaration of Dr. Madoff (“Madoff Decl.”).

136. Dr. Melmed is a world-renowned endocrinologist and national expert in the field of growth hormone. Dr. Melmed heads the largest pituitary department in the nation at Cedars Sinai Medical Center in Los Angeles, California where he also serves as the Dean of the Medial Faculty, Executive Vice President, Chief Academic Officer and Director of Research Institute. He is also a Professor of Medicine and Associate Dean at the University of California at Los Angeles. Dr. Melmed has over 350 peer-reviewed publications for his research in the area of growth hormone/pituitary gland; has authored over 20 textbooks and over 130 book chapters on growth hormone/pituitary gland; has won a myriad of awards for work in his field; and has lectured on the topics of growth hormone, pituitary issues and endocrinology at countless seminars, workshops, and symposiums around the globe. He is revered by all in his field. *See*, Melmed Decl., Ex. A (“Melmed CV”).

137. Dr. Madoff is a clinical endocrinologist, having been in full time endocrine practice since 1989. He is an Assistant Professor of Medicine at The John Hopkins University School of Medicine where he has been teaching since 1987. He also serves as the Director at the Woodholme Center for Diabetes and Endocrine Disorders in Pikesville, Maryland. His internship and residency in Internal Medicine and fellowship in Endocrinology and Metabolism were at John Hopkins Hospital in Baltimore, Maryland. His clinical training and years of patient care in the field of

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1 endocrinology provide him with a high level of expertise in the area of growth
2 hormone. *See*, Madoff Decl., Ex. A (“Madoff CV”).

3 138. Dr. Melmed and Dr. Madoff were each tasked with determining: (a)
4 whether SeroVital can increase HGH by 682%; and (b) whether SeroVital is
5 associated with wrinkle reduction, increased lean muscle mass, stronger bones,
6 improved mood, heightened sex drive, and making users look and feel decades
7 younger, as advertised by Defendants. *See*, Melmed Decl., Ex. B (“Melmed Report”);
8 Madoff Decl., Ex. B (“Madoff Report”).

9 139. Based on the relevant peer-reviewed scientific literature and research on
10 growth hormone, their extensive personal and clinical research experience working
11 in the field of endocrinology and growth hormone, and their careful reviews of all
12 information available regarding SeroVital, including the product packaging, website,
13 infomercial, excerpts from purported studies, and U.S. patents, Dr. Melmed and Dr.
14 Madoff each concluded SeroVital (and therefore the Substantially Similar Products)
15 cannot increase HGH levels by 682% nor can the Products lead to the anti-aging
16 benefits claimed by Defendants, including, wrinkle reduction, increased lean muscle
17 mass, stronger bones, improved mood, heightened sex drive, and making users look
18 and feel decades younger. *See*, Melmed Report at pp. 1-2, 9-12; Madoff Report at pp.
19 7-11, 14-16.

20 140. Dr. Melmed and Dr. Madoff each further concluded that were SeroVital
21 (and therefore the Substantially Similar Products) to work as advertised, i.e., raise
22 HGH by 682%, it would subject users to significant adverse health risks. *See*,
23 Melmed Report at pp. 2, 6-8; Madoff Report at p. 16.

24 ***1. False Advertising Claim #1: Increased HGH Levels***

25 141. Defendants formulated the Products in an identical way, as each Product
26 contains the same five amino acids and one herb. Each capsule of each Product
27 contains:

- 28 a. 374.83 mg L-lysine

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- 1 b. 181.38 mg L-arginine
- 2 c. 0.25 mg L-glutamine
- 3 d. 170.93 mg L-pyroglutamic acid (oxy-proline)
- 4 e. 0.25 mg N-acetyl L-cysteine
- 5 f. 0.125 mg Schizonepta (aerial parts) powder

6 142. Oral amino acids, including those contained in the Products’ formulation,
7 cannot sustain increased HGH levels. *See*, Melmed Report at p. 9.

8 143. The literature for orally administered amino acids shows no consistent
9 effects on HGH levels, and none have reported clinical benefits. *Id.*

10 144. Most published clinical studies regarding the effects of oral amino acids
11 show no significant HGH increase, some show flat and other actually show HGH
12 suppression. *See*, Melmed Report at p. 9, Table 3. In the few studies when HGH has
13 been reported to rise, it is transient, short-lived, very modest in magnitude, and most
14 importantly, required greater amounts of oral amino acids than are contained in the
15 SeroVital formulation.

16 145. None of the ingredients in the Products—neither individually, nor as
17 formulated—can increase HGH levels in the human body.

18 a. The only active ingredient in the Products is L-arginine. The
19 amount of L-arginine contained in the Products (181 mg per
20 capsule) is *so low*, even at the recommended 4 capsule dosage, it
21 would have no effect on HGH levels at all. *See*, Melmed Report at
22 p. 9 ¶1. Lowest oral amino acid doses reported to transiently
23 increase GH in all the heterogenous studies are 3 to 9 grams daily.
24 *Id.* The Products contain 10 to 100-fold lower concentrations of
25 effective oral doses. *Id.* The Products’ low doses are proven to have
26 no effect on GH. *Id.* Even if a healthy individual would ingest 4
27 capsules of SeroVital (as well as the Substantially Similar
28 Products), the amount of active amino acid ingredient, particularly

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arginine, would still be below 3 grams—the lowest minimal dose required for any effect at all. *See*, Melmed Report, Table 3 [any dosage under 3 grams has been shown in all published studies to have no effect on GHG].

b. Lysine and Arginine: The amount of lysine and arginine in the Products cannot increase GHG levels in the body. *See*, Ex. 1: Melmed Report at p. 9, Table 3; *see also*, Isidori, A. *et al.*, *A study of growth hormone release in man after oral administration of amino acids*. CURR. MED. RES. OPIN. 1981; 7(7):475-81; Corpas, E. *et al.*, *Oral arginine-lysine does not increase growth hormone or insulin-like growth factor in old men*. J. GERONTOL. 1993 Jul; 48(4):M128-33; da Silva *et al.*, *Hormonal response to L-arginine supplementation in physically active individuals*. Food Nutr Res. 2014 Mar. 25;58; Fayh AP *et al.*, *Effect of L-arginine supplementation on secretion of growth hormone and insulin like growth factor in adults*. ARG. BRAS. ENDOCRINOL. METABOL. 2007 June; 51(4): 587-92; Forbes SC *et al.*, *Oral L-arginine before resistance exercise blunts growth hormone in strength trained males*. INT. J. SPORT NUTR. EXERC. METAB. 2014 Apr; 24(2):236-44.

c. Glutamine: The amount of glutamine in the Products cannot increase GHG levels in the body. The Products contains 1 mg of glutamine in the recommended 4 capsule dosage. To the extent glutamine has been found to increase GHG levels, it requires 2 grams of glutamine, dissolved in a liquid, to do so. *See*, Welbourne TC, *Increased plasma bicarbonate and growth hormone after oral glutamine load*. AM. J. CLIN. NUTR. 1995 May; 61(5):1058-61.

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- d. Oxy-proline: Studies have shown that oxy-proline decreases the non-enzymatic antioxidant defenses in the brain and causes reactive species production and protein oxidation. *See, Pederzolli CD et al., Acute administration of 5-oxoproline induces oxidative damage to lipids and proteins and impairs antioxidant defenses in cerebral cortex and cerebellum of young rats. METAB. BRAIN DIS. 2010 June; 25(2):145-54.*
- e. N-acety-cysteine: No causal link to increased HGH levels in the body.
- f. Schizonepeta: No association to increased HGH levels in the body.

2. False Advertising Claim #2: Anti-Aging Benefits

146. Defendants claim: “It’s clear that Growth Hormone has been associated with wrinkle reduction, decreased body fat, increased lean muscle mass, stronger bones, improved mood, heightened sex drive, and making users look and feel decades – not years, but *DECADES* – younger” and further claim the Products can produce these results.

147. Human growth hormone is *not* associated with “increased sex drive, reduced wrinkles, increased bone strength, less fat or leaner muscles” in individuals with normal functioning pituitary glands. *See, Melmed Report at p, 12; Madoff Report at p. 14, ¶¶2.4.1, 2.4.2, 2.4.3, 2.4.4; see also, Toogood, A.A. et. Al., 1997, Preservation of growth hormone pulsality despite pituitary pathology, surgery, and irradiation, J. Clin. Endocrinol. Metab. 82(7):2215. No dose of oral amino acids, or even injectable growth hormone would “reverse” any related clinical conditions because there is no association to begin with. See, Melmed Report at p. 12.*

148. The Products are incapable of reducing wrinkles, decreasing body fat, increasing lean muscle mass, strengthening bones, improving mood, heightening sex drive, or making users look and feel decades younger. *See, Melmed Report at p, 12; Madoff Report at p. 14, ¶¶2.4.1, 2.4.2, 2.4.3, 2.4.4.*

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1 149. The only clinical study which found any causal link between HGH and
2 lean body mass benefits involved synthetic injections administered for 6 months on
3 men over the age of 60. Rudman, Daniel, M.D., *et al.*, *Effects of Human Growth*
4 *Hormone in Men over 60 Years Old*, N. Eng. J. Med. 1990:323:1-6 (July 5, 1990).
5 The study has since been debunked by the scientific community given that the
6 subjects were not blinded and most of the stated “results” were not actually tested for.

7 150. In 1996, researchers at University of California at San Francisco, the
8 Department of Veterans Affairs Medical Center, and the San Francisco Medical
9 Center concluded in a randomized, controlled, double-blind clinical trial that HGH
10 does not increase strength, systemic endurance, or cognitive function. Papadakis,
11 Maxine A., M.D., *et al.*, *Growth Hormone Replacement in Healthy Older Men*
12 *Improves Body Composition but Not Functional Ability*, ANNALS INT. MED.,
13 1996:124:8 (Apr. 15, 1996).

14 151. In 2002, researchers for the National Institute of Health and Johns
15 Hopkins University Medical School evaluated the effects of HGH on body
16 composition, strength, and endurance in a 26-week randomized, double-blind,
17 placebo-controlled study and concluded that HGH cannot arrest the aging process and
18 in fact caused serious side effects in over 40% of participants who used HGH.
19 Blackman MR, *et al.*, *Growth hormone and sex steroid administration in healthy aged*
20 *women and men: a randomized controlled trial*. JAMA 2002; 288(18):2282-92 (Nov.
21 13, 2002).

22 152. In 2010, researchers at John Hopkins University School of Medicine
23 concluded that levels of HGH do not positively or negatively affect aging or lifespan.
24 Salvatori, R., M.D., *et al.*, *Congenital HGH deficiency has no effect on normal*
25 *lifespan*, J. CLIN. ENDOCRIN. & MET. (Jan. 2010).

26 153. In a comprehensive meta-analysis of 11 placebo-controlled trials
27 involving 254 healthy participants, growth hormone showed an increase in free fatty
28 acid levels and no change in muscle strength or exercise capacity. Melmed, Shlomo,

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1 M.D., *Pathogenesis and Diagnosis of Growth Hormone Deficiency in Adults*, N.
2 ENGL. J. MED. 380(26):2558-2559 (June 2019).

3 154. Even the United States Federal Trade Commission (“FTC”) has
4 concluded there exists no reliable evidence to support the claim that natural
5 supplement-based oral products like the Products have the same effects as
6 prescription HGH, which is always given by injection. The FTC has further stated it
7 is not aware of any competent or reliable scientific evidence to support claims that
8 pills and sprays increase the body’s HGH levels and provide anti-aging benefits.
9 Accordingly, since 2005, the FTC has sent warning letters to more than 90 internet
10 operators that are selling alleged HGH enhancers for anti-aging benefits. *See*
11 <https://www.consumer.ftc.gov/articles/0118-anti-aging-products>.

12 155. In fact, excess growth hormones can facilitate neoplastic (cancer cell)
13 initiation and progression. Excess growth hormones can also inhibit tumor
14 suppressors, thereby contributing to a proliferative microenvironment sustaining
15 abnormalities such as colon polyps. A recent meta-analysis of 23 studies showed a
16 standardized incidence ratio of 1.5 for cancer in patients with acromegaly, i.e., those
17 whose pituitary glands produce too much HGH. Melmed, Shlomo, M.D.,
18 *Pathogenesis and Diagnosis of Growth Hormone Deficiency in Adults*, N. ENGL. J.
19 MED. 380(26):2551-2560 (June 2019).

20 156. Current medical guidelines do not recommend growth hormone as an
21 antiaging therapy because it can have unacceptable adverse effects in otherwise
22 healthy persons with normal pituitary function. *Id.* at 2560.

23 157. Incredibly, upon information and belief, Defendants have sold tens of
24 millions of dollars or more worth of the Products to California consumers based upon
25 the false promises and misleading advertisements described herein.

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1 **E. Defendants’ Own Study Supports the Conclusion That SeroVital**
 2 **Formula Is No Different from A Placebo**

3 158. On their websites for the Products, Defendants cherry-pick information
 4 from a self-funded double-blind placebo-controlled study in an attempt to counter the
 5 mountain of evidence and scientific consensus that the Products cannot deliver the
 6 advertised benefits.⁴ For example, although the SeroVital U.S. Patent indicates the
 7 original study included 12 males and 4 females, the abstract on the SeroVital website
 8 and packaging discusses results only from the 12 males. *See* Madoff Report at ¶¶2.2.
 9 In another example, the unlabeled figure on its website is not consistent with their
 10 description of the data. *Id.* And the claim that SeroVital leads to a 682% Mean
 11 Increase in HGH Levels “is based on a single value of HGH 15 minutes before and a
 12 single value of HGH two hours after the administration of Serovital, even though
 13 there were two GH levels assessed before and five GH levels assessed following
 14 Serovital ingestion.” *Id.*

15 159. In fact, Defendants’ study suggests that there is no difference between the
 16 Products and a placebo. AUC values provided in the abstract on the SeroVital website
 17 suggest that there is actually no difference in effect between placebo and the SeroVital
 18 formula on subsequent HGH levels. *See* Madoff Report at p. 10, ¶2.2.2.5. The
 19 probability of increased HGH after ingestion of the SeroVital formula is similar to a
 20 placebo (20.4 vs 19.67). *See*, Melmed Report at p. 11, ¶2(d); Madoff Report at p. 10,
 21 ¶2.2.2.5. Given the overlapping co-efficient of variation (19.9-20.5 and 18.7-20.6) it
 22 is not possible to ascribe a statistically significant different to these values. *Id.*

23 160. Defendants are able to avoid the conclusion that the study demonstrates
 24 no statistically significant difference in overall levels over two hours compared to
 25 placebo, because it was not published in a peer-reviewed journal. As Dr. Madoff
 26 explains, [w]hen a study is accepted for publication in a high-quality journal, all of
 27 _____

28 ⁴ Each of the Products website refer to the same “placebo-controlled, double-blind study” reviewed and analyzed by Plaintiffs’ experts.

1 the background materials, methods, and conclusions are rigorously reviewed by
 2 qualified fellow scientists.” Here, to the contrary, there is no rigorous detailed
 3 description of the patients, procedures, and methods in SeroVital’s abstract or Patent.
 4 *See* Madoff Report at ¶ 2.2.2.1. Instead, Defendants abstract is confusing, contains
 5 contradictions, and contains unlabeled figures that are impossible to interpret. *Id.* at ¶
 6 2.2.2.5.

7 161. Additionally, the purported increase shown by the study is so low and
 8 transient such that it could not support growth hormone bioactivity. In that regard,
 9 Defendants claim its purported study shows an increase of HGH from .017 to 1.33
 10 ng/ml at 2 hours. This is so low, it is undetectable by most assays. *See*, Melmed Report
 11 at p. 11, ¶ 2(a). In addition, it is insufficient to increase liver IGF-I levels, which is
 12 vital, as IGF-I is the target growth factor for HGH. *Id.* at p. 11, ¶ 2(b). Absent evidence
 13 for increased IGF-I levels, any transient mild HGH increase will have no clinical
 14 impact. *Id.*

15 **V. CLASS ACTION ALLEGATIONS**

16 162. **National Class (RICO).** Plaintiffs brings this action on behalf of
 17 themselves and a class of “All persons who purchased the Products for personal use
 18 and not for resale during the time period May 9, 2013, through the present. Excluded
 19 from the Class are Defendants’ officers, directors, and employees, and any individual
 20 who received remuneration from Defendants in connection with that individual’s use
 21 or endorsement of the Products”

22 163. **California Class.** Plaintiffs also bring this action on behalf of themselves
 23 and a subclass of “All persons residing in California who purchased the Products for
 24 personal use and not for resale during the time period May 9, 2014, through the
 25 present. Excluded from the Class are Defendants’ officers, directors, and employees,
 26 and any individual who received remuneration from Defendants in connection with
 27 that individual’s use or endorsement of the Products.”
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1 164. **Numerosity.** The Classes are so numerous that their individual joinder
2 herein is impracticable. On information and belief, members of the Classes number
3 in the hundreds of thousands throughout California, and nationwide. The precise
4 number of Class members and their identities are unknown to Plaintiffs at this time
5 but may be determined through discovery. Class members may be notified of the
6 pendency of this action by mail and/or publication through the distribution records of
7 Defendants and third party retailers and vendors.

8 165. **Commonality.** Common questions of law and fact exist as to all Class
9 members and predominate over questions affecting only individual Class members.
10 Common legal and factual questions include, but are not limited to:

- 11 a. Whether Defendants’ conduct is in violation of RICO 18 U.S.C. §
12 1962(a), (c)-(d);
- 13 b. Whether Defendants’ conduct constitutes an unfair method of
14 competition, or unfair or deceptive act or practice, in violation of
15 Civil Code Section 1750, *et seq.*;
- 16 c. Whether Defendants used deceptive representations in connection
17 with the sale of the Products in violation of Civil Code Section
18 1750, *et seq.*;
- 19 d. Whether Defendants represented the Products have characteristics
20 that they do not have in violation of Civil Code Section 1750, *et*
21 *seq.*;
- 22 e. Whether Defendants advertised the Products with the intent not to
23 sell them as advertised in violation of Civil Code Section 1750, *et*
24 *seq.*;
- 25 f. Whether Defendants’ advertising is untrue or misleading within the
26 meaning of Business and Professions Code section 17500, *et seq.*;

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- 1 g. Whether Defendants knew or by the exercise of reasonable care
- 2 should have known its packaging was and is untrue in violation of
- 3 Business and Professions Code section 17500, *et seq.*;
- 4 h. Whether Defendants’ conduct is an unfair business act or practice
- 5 within the meaning of Business and Professions Code section
- 6 17200, *et seq.*;
- 7 i. Whether Defendants’ conduct is a fraudulent business act or
- 8 practice within the meaning of Business and Professions Code
- 9 section 17200, *et seq.*;
- 10 j. Whether Defendants’ conduct is an unlawful business act or
- 11 practice within the meaning of Business and Professions Code
- 12 section 17200, *et seq.*;
- 13 k. Whether Defendants breached an express warranty made to
- 14 Plaintiffs and the Class;
- 15 l. Whether Defendants’ Products are efficacious, effective, and
- 16 useful for causing “decreased body fat,” “increased lean muscle
- 17 mass,” “heightened sex drive,” “improved mood,” and “decreased
- 18 wrinkles”;
- 19 m. Whether Plaintiffs and the Class suffered an ascertainable loss as a
- 20 result of Defendants’ misrepresentations;
- 21 n. Whether Plaintiffs and the Class are entitled to restitution, and/or
- 22 other monetary relief and, if so, the amount and nature of such
- 23 relief.

24 166. **Adequacy.** Plaintiffs’ claims are typical of the claims of the Class, and
25 Plaintiffs will fairly and adequately represent and protect the interests of the Class.
26 Plaintiffs have retained competent and experienced counsel in class action and other
27 complex litigation.

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1 167. **Typicality.** Plaintiffs and the Class have suffered injury in fact and have
2 lost money as a result of Defendants’ false representations. Plaintiffs purchased
3 SeroVital or GF-9 because of the claims by Defendants that it would provide the
4 various anti-aging benefits described herein as a result of increased HGH levels.
5 Plaintiffs relied on Defendants’ representations and would not have purchased
6 SeroVital (or the other Products) if they had known that the advertising as described
7 herein was false.

8 168. **Rule 23(b)(3) Superiority.** A class action is superior to other available
9 methods for fair and efficient adjudication of this controversy. The expense and
10 burden of individual litigation would make it impracticable or impossible for Class
11 members to prosecute their claims individually.

12 169. **Rule 23(b)(3) Manageability.** The trial and litigation of Plaintiffs’
13 claims are manageable. Individual litigation of the legal and factual issues raised by
14 Defendants’ conduct would increase delay and expense to all parties and the court
15 system. The class action device presents far fewer management difficulties and
16 provides the benefits of a single, uniform adjudication, economies of scale, and
17 comprehensive supervision by a single court.

18 170. **Rule 23(b)(2) Injunction/Declaratory Relief.** Defendants have acted on
19 grounds generally applicable to the entire Class, thereby making final injunctive relief
20 and/or corresponding declaratory relief appropriate with respect to the Class as a
21 whole. The prosecution of separate actions by individual Class members would create
22 the risk of inconsistent or varying adjudications with respect to individual members
23 of the Class that would establish incompatible standards of conduct for Defendants.

24 171. **Rule 23(b)(3) Superiority.** Absent a class action, Defendants will likely
25 retain the benefits of their wrongdoing. Because of the small size of the individual
26 Class members’ claims, few, if any, Class members could afford to seek legal redress
27 for the wrongs complained of herein. Absent a representative action, the Class
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1 members will continue to suffer losses and Defendants will be allowed to continue
2 these violations of law and to retain the proceeds of their ill-gotten gains.

3 172. **Pre-Litigation Demand—SanMedica.** On October 1, 2019, written
4 notice was sent to Defendant SanMedica International, LLC via certified U.S. mail
5 pursuant to Civil Code section 1750, *et seq.*, which set forth the claims of the Class
6 concerning the SeroVital’s false, misleading, deceptive, unlawful, unfair, and
7 fraudulent claims. *See* Exhibit 3.

8 **VI.**

9 **COUNT ONE**

10 **Conduct and Participation in a RICO Enterprise Through a Pattern of**
11 **Racketeering Activity**

12 **(Violation of Racketeer Influenced and Corrupt Organization Act, codified at**
13 **18 U.S.C. § 1962(a), (c)-(d))**

14 ***On Behalf of Plaintiffs and the Nationwide Class Against All Defendants***

15 173. Plaintiffs repeat and reallege all allegations of the previous paragraphs,
16 and incorporate the same as if set forth herein at length.

17 174. Defendants are individuals and/or entities within the meaning of “person”
18 as defined in 18 U.S.C. § 1961(3) because each is capable of holding, and does hold,
19 “a legal or beneficial interest in property.” The association is composed of Defendants
20 Basic Research, LLC, BR Cos, LLC, Basic Research Holdings, LLC, Basic Research
21 Intermediate, LLC, SanMedica International, LLC, Sierra Research Group, LLC,
22 Limitless Worldwide, LLC, Novex Biotech, LLC, Bydex Management, LLC,
23 Majestic Media, LLC, CRM Specialists, LLC, and Defendants Gay, Daines, Blackett,
24 Humphries, and Friedlander.

25 175. Section 1962(a) makes it:

26 unlawful for any person who has received any income derived, directly
27 or indirectly, from a pattern of racketeering activity or through collection
28 of an unlawful debt in which such person has participated as a principal
within the meaning of Section 2, Title 18, United States Code, to use or
invest, directly or indirectly, any part of such income, or the proceeds of

1 such income, in acquisition of any interest in, or the establishment or
2 operation of, any enterprise which is engaged in, or the activities of
3 which affect, interstate or foreign commerce.

4 18 U.S.C. § 1962(a).

5 176. Section 1962(c) makes it:

6 unlawful for any person employed by or associated with any enterprise
7 engaged in, or the activities of which affect, interstate or foreign
8 commerce, to conduct or participate, directly or indirectly, in the conduct
9 of such enterprise’s affairs through a pattern of racketeering activity.

10 18 U.S.C. §1962(c).

11 177. Section 1962(d) makes it unlawful for “any person to conspire to violate”
12 Section 1962(a) and (c) among other provisions. 18 U.S.C. § 1962(d).

13 178. Defendants are associated with each other as an enterprise within the
14 meaning of “enterprise” as defined in 18 U.S.C. § 1961(4).

15 179. Beginning before the Class Period and continuing to this day, Defendants
16 have unlawfully increased their profits by making fraudulent claims that the
17 Products—under the guise of multiple different brand and entity names—increase
18 HGH and provide anti-aging benefits when they do not. The RICO enterprise, which
19 all Defendants have engaged in, and the activities of which affected interstate and
20 foreign commerce, is comprised of an association in fact of persons, including each
21 Defendant and other unnamed co-conspirators. That association in fact was structured
22 by various contracts and non-contractual relationships between the Defendants, by
23 which Defendants assumed different roles in agreeing to carry out a mail and wire
24 fraud scheme to sell the Products under different brands and entities and produce
25 misleading self-funded studies to deceive consumers into thinking the Products
26 provide anti-aging benefits by increasing HGH when, in fact, the Products are no
27 different from a placebo.

28 180. The members of the RICO enterprise all share a common purpose: to
enrich themselves at Class members’ expense by maximizing Defendants’ revenues
through fraudulent sales of the Products. As set forth herein, Defendants benefitted

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1 financially from their scheme to defraud Plaintiffs and the Class members, including
2 by making false representations that the Products would increase HGH and provide
3 anti-aging benefits, and even going so far as to create their own self-funded studies to
4 substantiate such baseless claims to sell the Products, which Defendants would not
5 have done but for the existence of the scheme.

6 181. This RICO enterprise has existed for almost 30 years and continues to
7 expand and operate pursuant to agreements entered into between and amongst
8 Defendants and other unnamed co-conspirators. The RICO enterprise has functioned
9 as a continuing unit and maintains an ascertainable structure separate and distinct
10 from the pattern of racketeering activity.

11 182. The enterprise was characterized by Defendants' pattern of false
12 representations and omissions, made by Defendants' marketing and research and
13 development teams to consumers. These false representations and omissions were
14 designed to induce consumers to purchase costly products that are no different than
15 placebos. This pattern of false representations was disseminated to potential
16 purchasers of the Products in California and around the country, by Defendants based
17 in Utah and Delaware, under the direction and on behalf of Defendants in Utah. The
18 dissemination typically was done using interstate telephone wires.

19 183. The true nature of Defendants' Products was left undisclosed, was
20 omitted, and/or was affirmatively misrepresented, all to fraudulently increase
21 Defendants' profits, at least some of which were used to expand the enterprise,
22 causing further injury to Plaintiffs and the Class members.

23 184. Defendants profited from the enterprise, and Plaintiffs and the Class
24 members suffered because the enterprise significantly increased the cost of the
25 Products that worked no different than a placebo. Defendants used the proceeds from
26 this scheme to advance the scheme by funding and operating their marketing machine,
27 including through the use of the mails and interstate wires to sell the Products,
28 providing consumers with misrepresentative information, including via email all over

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1 interstate wireline communications systems, and obtaining sales revenues via
2 documents and banking transactions that were exchanged via electronic means over
3 interstate wires, thereby growing the enterprise and causing further injury to the
4 members of the Class, as described throughout.

5 185. Defendants’ scheme was reasonably calculated to deceive Plaintiffs and
6 Class members, all of whom are of ordinary prudence and comprehension, through
7 the execution of their complex and illegal scheme to misrepresent the effectiveness
8 of worthless placebos. Plaintiffs and Class members would not have purchased the
9 Products but for the illegal racketeering scheme operated by Defendants.

10 186. Defendants each had the specific intent to participate in the overall RICO
11 enterprise and the scheme to defraud Plaintiffs and the Class, and each participated in
12 the enterprise as follows:

13 187. Defendants Basic Research, LLC, BR Cos, LLC, Basic Research
14 Holdings, LLC, and Basic Research Intermediate, LLC (collectively “Basic
15 Research”) direct, control, and participate in the activities of the enterprise in a variety
16 of ways as set forth herein, including but not limited to developing, manufacturing,
17 and marketing scores of cosmetics, nutritional supplements, and dietary supplements
18 (including the Products) that are marketed under the names of nearly a dozen limited
19 liability companies that have been formed by Defendants. Throughout the Class
20 Period, these Defendants oversee shipments of their fraudulently advertised Products
21 from the BR Headquarters in Utah to consumers in California and around the country,
22 relying on the mail to distribute, and interstate wires to disseminate the misleading
23 information described herein as well as to receive profits from the sale. In connection
24 with all Defendants, acting from Utah, these Defendants used the mail and interstate
25 wires to create and register additional subsidiaries and affiliates in the state of
26 Delaware to further their goals of making it appear that the Products were marketed
27 by different entities. Each of these acts were undertaken with the knowledge and
28 approval of all other Defendants in furtherance of the goals of their conspiracy.

1 188. Defendant Gay directs, controls, and participates in the activities of the
2 enterprise in a variety of ways as set forth herein, including using his role as CEO of
3 Basic Research to exercise complete dominion and control over Basic Research,
4 SanMedica, and Sierra Research, such that these companies are his alter ego, a sham,
5 façade, and mere instrumentality for his personal benefit, and he has disregarded and
6 abused the corporate form and structure of these companies, including with response
7 to the manufacture, marketing, advertisement, promotion, distribution, and sale of the
8 Products. Throughout the Class Period, Gay oversaw the dissemination of
9 Defendants' fraudulent advertising from the BR Headquarters in Utah to consumers
10 in California and around the country, relying on the mail to distribute, and interstate
11 wires to disseminate the misleading information described herein as well as to receive
12 profits from the sale. Gay, acting from Utah, used the mail and interstate wires to
13 create and register additional subsidiaries and affiliates in the state of Delaware to
14 further their goals of making it appear that the Products were marketed by different
15 entities. Each of these acts were undertaken with the knowledge and approval of all
16 other Defendants in furtherance of the goals of their conspiracy.

17 189. Defendant Daines directs, controls, and participates in the activities of the
18 enterprise in a variety of ways as set forth herein, including using her role as owner,
19 former Chief Marketing Officer, and sister of CEO Gay to have final decision-making
20 authority over work carried out in Basic Research's marketing department, which is
21 responsible for the labeling, advertising, and media placement for dietary
22 supplements sold by Defendants. Throughout the Class Period, Daines oversaw the
23 dissemination of Defendants' fraudulent advertising from the BR Headquarters in
24 Utah to consumers in California and around the country, relying on the mail to
25 distribute, and interstate wires to disseminate the misleading information described
26 herein as well as to receive profits from the sale. Daines, acting from Utah, used the
27 mail and interstate wires to create and register additional subsidiaries and affiliates in
28 the state of Delaware to further their goals of making it appear that the Products were

1 marketed by different entities. Each of these acts were undertaken with the
2 knowledge and approval of all other Defendants in furtherance of the goals of their
3 conspiracy.

4 190. Defendant Blackett directs, controls, and participates in the activities of
5 the enterprise in a variety of ways as set forth herein, including using her role in
6 marketing of Bydex Management, as well as owner and sister of CEO Gay to have
7 final decision-making authority over work carried out in Basic Research's marketing
8 department, which is responsible for the labeling, advertising, and media placement
9 for dietary supplements sold by Defendants. Throughout the Class Period, Blackett
10 oversaw the dissemination of Defendants' fraudulent advertising from the BR
11 Headquarters in Utah to consumers in California and around the country, relying on
12 the mail to distribute, and interstate wires to disseminate the misleading information
13 described herein as well as to receive profits from the sale. Blackett, acting from Utah,
14 used the mail and interstate wires to create and register additional subsidiaries and
15 affiliates in the state of Delaware to further their goals of making it appear that the
16 Products were marketed by different entities. Each of these acts were undertaken with
17 the knowledge and approval of all other Defendants in furtherance of the goals of
18 their conspiracy.

19 191. Defendant Humphries directs, controls, and participates in the activities
20 of the enterprise in a variety of ways as set forth herein, including using her role in
21 marketing purchasing media and customer service, as well as owner and sister of CEO
22 Gay to have final decision-making authority over work carried out in Basic
23 Research's marketing department, which is responsible for the labeling, advertising,
24 and media placement for dietary supplements sold by Defendants. Throughout the
25 Class Period, Humphries oversaw the dissemination of Defendants' fraudulent
26 advertising from the BR Headquarters in Utah to consumers in California and around
27 the country, relying on the mail to distribute, and interstate wires to disseminate the
28 misleading information described herein as well as to receive profits from the sale.

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1 Humphries, acting from Utah, used the mail and interstate wires to create and register
2 additional subsidiaries and affiliates in the state of Delaware to further their goals of
3 making it appear that the Products were marketed by different entities. Each of these
4 acts were undertaken with the knowledge and approval of all other Defendants in
5 furtherance of the goals of their conspiracy.

6 192. Defendant Friedlander directs, controls, and participates in the activities
7 of the enterprise in a variety of ways as set forth herein, including using his role as a
8 named inventor and marketing consultant to have final decision-making authority
9 over work carried out in Basic Research’s marketing department, which is responsible
10 for the labeling, advertising, and media placement for dietary supplements sold by
11 Defendants. Throughout the Class Period, Friedlander oversaw the dissemination of
12 Defendants’ fraudulent advertising from the BR Headquarters in Utah to consumers
13 in California and around the country, relying on the mail to distribute, and interstate
14 wires to disseminate the misleading information described herein as well as to receive
15 profits from the sale. Humphries, acting from Utah, used the mail and interstate wires
16 to create and register additional subsidiaries and affiliates in the state of Delaware to
17 further their goals of making it appear that the Products were marketed by different
18 entities. Each of these acts were undertaken with the knowledge and approval of all
19 other Defendants in furtherance of the goals of their conspiracy.

20 193. Defendant SanMedica International, LLC directs, controls, and
21 participates in the activities of the enterprise in a variety of ways as set forth herein,
22 including manufacturing, distributing, advertising, and selling SeroVital. Throughout
23 the Class Period, SanMedica oversaw shipments of their fraudulently advertised
24 Products from the BR Headquarters in Utah to consumers in California and around
25 the country, relying on the mail to distribute, and interstate wires to disseminate the
26 misleading information described herein as well as to receive profits from the sale.

27 194. Defendant Sierra Research Group, LLC directs, controls, and participates
28 in the activities of the enterprise in a variety of ways as set forth herein, including

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1 acting as the research and development arm for Basic Research and the Products.
2 Throughout the Class Period, Sierra Research Group oversaw the dissemination of
3 so-called scientific substantiation from the BR Headquarters in Utah to consumers in
4 California and around the country, relying on the mail to distribute, and interstate
5 wires to disseminate the misleading information described herein as well as to receive
6 profits from the sale. Sierra Research Group used the mail and interstate wires to
7 conduct research in California and to present abstracts and their research to further
8 their goal of saturating the market with the idea that oral amino acids provide an anti-
9 aging miracle.

10 195. Defendant Limitless Worldwide, LCC directs, controls, and participates
11 in the activities of the enterprise in a variety of ways as set forth herein, including
12 manufacturing, distributing, advertising, and selling Thrive and SeroDyne.
13 Throughout the Class Period, Limitless Worldwide oversaw shipments of their
14 fraudulently advertised Products from the BR Headquarters in Utah to consumers in
15 California and around the country, relying on the mail to distribute, and interstate
16 wires to disseminate the misleading information described herein as well as to receive
17 profits from the sale.

18 196. Defendant Novex Biotech, LLC directs, controls, and participates in the
19 activities of the enterprise in a variety of ways as set forth herein, including
20 manufacturing, distributing, advertising, and selling GF-9. Throughout the Class
21 Period, Novex Biotech oversaw shipments of their fraudulently advertised Products
22 from the BR Headquarters in Utah to consumers in California and around the country,
23 relying on the mail to distribute, and interstate wires to disseminate the misleading
24 information described herein as well as to receive profits from the sale.

25 197. Defendant Bydex Management, LLC directs, controls, and participates in
26 the activities of the enterprise in a variety of ways as set forth herein, including as a
27 purported leasing company that is listed as the employer on the paychecks of all of
28 Defendant Basic Research's employees. Throughout the Class Period, Bydex

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1 Management oversaw shipments of their fraudulently advertised Products from the
2 BR Headquarters in Utah to consumers in California and around the country, relying
3 on the mail to distribute, and interstate wires to disseminate the misleading
4 information described herein as well as to receive profits from the sale. Acting from
5 Utah, Bydex Management used the mail and interstate wires to create and register
6 additional subsidiaries and affiliates in the state of Delaware to further their goals of
7 making it appear that the Products were marketed by different entities. Each of these
8 acts were undertaken with the knowledge and approval of all other Defendants in
9 furtherance of the goals of their conspiracy.

10 198. Defendant Majestic Media, LLC directs, controls, and participates in the
11 activities of the enterprise in a variety of ways as set forth herein, including the
12 marketing and advertising division of the Basic Research Enterprise. Throughout the
13 Class Period, Majestic Media marketed and advertised the fraudulently advertised
14 Products from the BR Headquarters in Utah to consumers in California and around
15 the country, relying on the mail to distribute, and interstate wires to disseminate the
16 misleading information described herein as well as to receive profits from the sale.
17 Each of these acts were undertaken with the knowledge and approval of all other
18 Defendants in furtherance of the goals of their conspiracy.

19 199. Defendant CRM Specialists, LLC directs, controls, and participates in the
20 activities of the enterprise in a variety of ways as set forth herein, including acting as
21 the sales and customer service division of the Basic Research Enterprise. Throughout
22 the Class Period, CRM Specialists sold and serviced customers for the fraudulently
23 advertised Products from the BR Headquarters in Utah to consumers in California and
24 around the country, relying on the mail to distribute, and interstate wires to
25 disseminate the misleading information described herein as well as to receive profits
26 from the sale. Each of these acts were undertaken with the knowledge and approval
27 of all other Defendants in furtherance of the goals of their conspiracy.

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200. During the ten (10) years preceding the filing of this action and to the present, all Defendants did cooperate jointly and severally in the commission of three (3) or more of the predicate acts that are itemized at 18 U.S.C. §§ 1961(1)(A) and (B), in violation of 18 U.S.C. 1962(d), as described in this Third Amended Complaint.

201. Beginning at an exact date unknown to Plaintiffs, but within ten (10) years preceding the filing of this action, Defendants have knowingly, willfully, and unlawfully participated in a pattern of racketeering activity that continues to this day.

202. The acts set below (“Racketeering Acts”) had the same pattern and purpose to defraud Plaintiffs and the Class for the benefit of Defendants. Each Racketeering Act involved the same or similar methods of commission and participants and affected the Class similarly.

203. Without the repeated predicate acts, the ability to conduct their fraud using the mail and telecommunications wires, and the money laundering, Defendants’ business would not have succeeded.

204. The separate Racketeering Acts all relate to each other in that they were part of concerted actions by Defendants to use the endorsement and channels of the enterprise to operate their businesses to fraudulently induce Plaintiffs and the Class to purchase the Products.

205. Defendants’ wrongful conduct has caused injury to Plaintiffs and the Class, remains a part of their ongoing business practices, and remains a continuing threat to Plaintiffs, the Class, and the general public.

206. Defendants’ association with the enterprise enabled Defendants to conduct, direct, and control a pattern of fraudulent, illegal activities over a substantial number of years, which continues to this day.

207. To further their goals, Defendants, working in concert, engaged in various forms of criminal activity, including mail fraud and wire fraud.

1 208. Defendants’ ongoing pattern of racketeering activity has injured and
2 continues to injure Plaintiffs and the Class. Defendants’ pattern of mail fraud and wire
3 fraud was the proximate cause of the injuries suffered by Plaintiffs and the Class.

4 **A. Defendants Committed Multiple Acts of Mail Fraud in Violation of**
5 **18 U.S.C. § 1341 in Furtherance of the Enterprise**

6 209. Defendants voluntarily and intentionally devised and participated in a
7 scheme to defraud Plaintiffs and the Class out of money, in reliance on the mail.
8 Defendants committed these acts with the intent to defraud Plaintiffs and the Class.

9 210. Defendants used the mail for the purpose of executing the fraudulent
10 scheme herein.

11 211. Specifically, Defendants agreed to each of the acts of mail fraud described
12 throughout this Third Amended Complaint, and in particular, in paragraphs 108-116
13 *supra*. In addition, Defendants agreed to rely on the mail to distribute point-of-
14 purchase advertisements and advertisements published in national print publications
15 to advertise, label, offer for sale, sell, and distribute the Products by falsely claiming
16 that the Products increase HGH and offer a multitude of anti-aging benefits. In such
17 advertisements Defendants also falsely assert that their clinical trial supports such
18 claims.

19 212. In furtherance of and for purposes of executing the above-described
20 fraudulent and illegal course of conduct and scheme to defraud, Defendants either
21 individually or in combination with themselves, used and caused to be used the U.S.
22 mail by both placing and causing to be placed letters, marketing and sales materials,
23 advertisements, agreements and other matters in depositories and by removing or
24 causing to be removed letters and other mailable matters from depositories, in
25 violation of the mail fraud statute, 18 U.S.C. § 1341.

26 213. Defendants could not have furthered their fraud without the use of the
27 mail. For example, because Defendants sought to advertise in major print
28 publications, they required the mail to distribute misleading advertisements to the

1 various states, including California. For these reasons, use of the mail to conduct the
2 fraudulent activity was necessary and inevitable.

3 **B. Defendants Committed Multiple Acts of Wire Fraud in Violation of**
4 **18 U.S.C. § 1343 in Furtherance of the Enterprise**

5 214. Defendants voluntarily and intentionally devised and participated in a
6 scheme to defraud Plaintiffs and the Class out of money, in reliance on interstate
7 wires. Defendants committed these acts with the intent to defraud Plaintiffs and the
8 Class.

9 215. Specifically, Defendants agreed to each of the acts of wire fraud described
10 throughout this Third Amended Complaint, and in particular, in paragraphs 108-116
11 *supra*. In addition, Defendants agreed to rely on interstate wires to disseminate
12 advertisements via search engines and other online platforms to further the goals of
13 the enterprise. Defendants knew that these advertisements were targeted to drive
14 product sales by falsely claiming that the Products increase HGH and offer a
15 multitude of anti-aging benefits. In such advertisements Defendants also falsely assert
16 that their clinical trial supports such claims.

17 216. Additionally, Defendants agreed that Defendants should facilitate
18 communications with class members over interstate wires in furtherance of the fraud.
19 Consumers nationwide contacted Defendants via online platforms to inquire about
20 the Products and facilitate purchases.

21 217. In furtherance of and for purposes of executing the above-described
22 fraudulent and illegal course of conduct and scheme or artifice to defraud, Defendants
23 either individually or in combination with themselves, used or caused to be used
24 interstate wire communications to transmit or disseminate false, fraudulent, and
25 misleading communications and information, in violation of the wire fraud statute, 18
26 U.S.C. § 1343. Defendants' use of interstate wire facilities included advertising the
27 Products through television commercials and Internet postings, as well as interstate
28

1 telephone calls from Plaintiffs and Class members who were seeking to purchase the
2 product and/or complain about its non-performance.

3 218. Defendants could not have furthered their fraud without the ability to use
4 the telecommunications to share information with consumers and retailers
5 nationwide. Because Defendants needed to communicate with consumers and
6 retailers around the country, use of interstate telecommunications wires to conduct
7 the fraudulent activity was necessary and inevitable.

8 **VII.**

9 **COUNT TWO**

10 **Violation of California Consumers Legal Remedies Act**

11 **California Civil Code sections 1750, *et seq.***

12 ***On Behalf of Plaintiffs and the California Subclass Against All Defendants***

13 219. Plaintiffs repeat and reallege all allegations of the previous paragraphs,
14 and incorporate the same as if set forth herein at length.

15 220. This cause of action is brought pursuant to Civil Code Section 1750, *et*
16 *seq.*, the Consumers Legal Remedies Act (“CLRA”), on behalf of a Class consisting
17 of “All persons who purchased the Products in the State of California for personal use
18 and not for resale during the time period May 9, 2014, through the present. Excluded
19 from the Class are Defendants’ officers, directors, and employees, and any individual
20 who received remuneration from Defendants in connection with that individual’s use
21 or endorsement of the Product.”

22 221. The CLRA prohibits certain “unfair methods of competition and unfair or
23 deceptive acts or practices” in connection with a sale of goods.

24 222. The practices described herein, specifically Defendants’ labeling,
25 advertising, and sale of the Products, were intended to result and did result in the sale
26 of the Products to the consuming public and violated and continue to violate the
27 CLRA by (1) using deceptive representations in connection with the Products; (2)
28 representing the Products have characteristics that it does not have; (3) advertising

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1 and labeling the Products with intent not to sell it as advertised and labeled; and (4)
2 representing that the Products have been supplied in accordance with a previous
3 representation as to the efficacy of the Products, when it has not.

4 223. The policies, acts, and practices described herein were intended to result
5 in the sale of the Products to the consuming public and violated and continue to violate
6 Section 1770(a)(5) of the CLRA by representing that the Products have
7 characteristics, benefits, uses, or quantities which it does not have.

8 224. The policies, acts, and practices described herein were intended to result
9 in the sale of the Products to the consuming public and violated and continue to violate
10 Section 1770(a)(7) of the CLRA by representing that the Products are of a particular
11 standard, quality, grade, or style, when it is of another.

12 225. The policies, acts, and practices described herein were intended to result
13 in the sale of the Products to the consuming public and violated and continue to violate
14 Section 1770(a)(9) of the CLRA by advertising the Products with the intent not to sell
15 them as advertised.

16 226. Defendants fraudulently deceived Plaintiffs and the Class, and
17 intentionally misrepresented and concealed material facts from Plaintiffs and the
18 Class. Said misrepresentations and concealment were done with the intention of
19 deceiving Plaintiffs and the Class and depriving them of their legal rights and money.

20 227. Defendants knew or should have known, through the exercise of
21 reasonable care, that the Products do not cause the benefits and results contained in
22 their advertisements.

23 228. Defendants' actions as described herein were done with conscious
24 disregard of Plaintiffs' rights and Defendants were wanton and malicious in its
25 concealment of the same.

26 229. Defendants' advertising of the Products was a material factor in
27 Plaintiffs' and the Class's decisions to purchase the Products, as it concerns the ability
28 of the Products to cause anti-aging benefits and increased HGH levels. Defendants'

1 marketing and packaging materials were intended to, and did, induce Plaintiffs and
2 members of the Class to rely upon Defendants’ representations that the Products
3 would provide anti-aging benefits and increased HGH levels. These representations
4 were a substantial factor in causing Plaintiffs and the Class to purchase the Products.

5 230. Based on Defendants’ advertising of the Products, Plaintiffs and the Class
6 reasonably believed they would receive increased HGH levels and anti-aging benefits.

7 231. At the time Plaintiffs and the Class purchased the Products, they were
8 unaware of the fact that the Products were not effective for its intended uses and was
9 in fact no more effective than a placebo.

10 232. Had they known that Defendants were making misrepresentations about
11 the Products’ ability to cause elevated HGH levels and anti-aging benefits, Plaintiffs
12 and the Class would not have purchased the Products.

13 233. Plaintiffs and the Class have suffered injury in fact and have lost money
14 as a result of Defendants’ false representations.

15 234. **ALTER EGO ALLEGATIONS:** As detailed above, *supra* Section II.F,
16 each Individual Defendant and each Operations Entity Defendant was the alter ego of
17 each other Defendant. Accordingly, each Individual Defendant and Defendant Basic
18 Research is jointly and severally liable for the damages proximately caused by each
19 other Defendant’s wrongful conduct. There is a unity of interest and ownership
20 between amongst the Individual Defendants and the Basic Research affiliates they
21 own and operate. The Individual Defendants and Defendant Basic Research
22 commingled funds and/or other assets; failed to segregate funds and/or assets; they
23 diverted funds and/or assets to unauthorized uses; they treated each other Defendant’s
24 assets as their own; they failed to obtain requisite authority before acting; held each
25 other Defendant out as liable for the debts of the other Defendant; they failed to
26 maintain adequate and separate records; shared identical equitable and/or legal
27 owners; they exercised domination and control over each other Defendant; shared
28 identical officers, directors, supervisors, and/or managers; they were wholly owned

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1 by the same individual or group of individuals who share familial and/or marital ties;
2 used the same office or business location, equipment, and/or computer network,
3 among other things; employed the same employees and/or attorney; failed to
4 adequately capitalize the business and/or company; they used the entity(ies) as mere
5 shell(s), instrumentality(ies), and/or conduit(s) for a single venture, the business of an
6 individual, or the business of another entity; concealed and misrepresented the
7 identity of the responsible ownership, management, and/or financial interest;
8 concealed personal or unauthorized business activities; disregarded legal formalities;
9 failed to maintain arm’s length relationships amongst each other Defendant; used each
10 other Defendant to procure labor, services, goods, and/or monies of another; diverted
11 assets to the detriment of creditors; manipulated assets and liabilities to concentrate
12 assets in one or more Defendant(s) and liabilities in the other Defendant(s); contracted
13 with another with the intent to avoid performance by use of the other Defendant as a
14 shield against its(their) liability; used each other Defendant as a subterfuge of illegal
15 transactions; and/or formed and/or used each other Defendant to transfer to it(them)
16 or away from it(them) the existing liability.

17 235. By letter dated October 1, 2019, Plaintiff Pizana advised Defendant
18 SanMedica of their false and misleading claims pursuant to California Civil Code
19 Section 1782(a). **Exhibit 3**. Because the letter was sent to the BR Headquarters, where
20 every Defendant in this action regularly transacts business, every Defendant received
21 the letter was put on knowledge of the claims. All Defendants failed to rectify or
22 repair its false and misleading advertising or to meet any demands of the letter.
23 Plaintiff brings this action for damages, in addition to injunctive relief, under the
24 CLRA.

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VIII.

COUNT THREE

Violation of California False Advertising Law

California Business & Professions Code sections 17500, et seq.

On Behalf of the Plaintiffs and California Subclass Against All Defendants

236. Plaintiffs repeat and reallege the allegations set forth in the preceding paragraphs, and incorporate the same as if set forth herein at length.

237. This cause of action is brought pursuant to Business and Professions Code § 17500, et seq., on behalf of a Class consisting of “All persons who purchased the Products in the State of California for personal use and not for resale during the time period May 9, 2014, through the present. Excluded from the Class are Defendants’ officers, directors, and employees, and any individual who received remuneration from Defendants in connection with that individual’s use or endorsement of the Products.”

238. California’s False Advertising Law, California Business and Professions Code Section 17500, et seq., makes it “unlawful for any person to make or disseminate or cause to be made or disseminated before the public in this state, in any advertising device or in any other manner or means whatever, including over the Internet, any statement, concerning personal property or services, professional or otherwise, or performance or disposition thereof, which is untrue or misleading and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading.”

239. In their advertising of the Products, Defendants made untrue and misleading statements regarding the Products’ ingredients and benefits as discussed herein.

240. Defendants controlled the advertising and labeling of the Products. Defendants knew or should have known, through the exercise of reasonable care that their representations that the SeroVital could increase HGH levels and thereby deliver

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1 anti-aging benefits as described herein were untrue and misleading.

2 241. Defendants' use of various forms of advertising media to advertise, call
3 attention to, or give publicity to the sale of goods or merchandise that are not as
4 represented constitutes unfair competition, unfair, deceptive, untrue, or misleading
5 advertising, and an unlawful business practice within the meaning of Business and
6 Professions Code Section 17531, which advertisements have deceived and are likely
7 to deceive the consuming public, in violation of Business and Professions Code
8 Section 17500.

9 242. Pursuant to Business and Professions Code Section 17535, Plaintiffs and
10 the members of the Class seek an order of this Court enjoining Defendants from
11 continuing to engage, use, or employ their practice of advertising the sale and use of
12 the Products. Likewise, Plaintiffs and the members of the Class seek an order
13 requiring Defendants to disclose such misrepresentations, and additionally request an
14 order awarding Plaintiff restitution of the money wrongfully acquired by Defendants
15 by means of responsibility attached to Defendants' failure to disclose the existence
16 and significance of said misrepresentations in an amount to be determined at trial.

17 243. Plaintiffs and the Class have suffered injury in fact and have lost money
18 as a result of Defendants' false representations. Indeed, Plaintiffs purchased the
19 SeroVital in reliance of the claims by Defendants that the SeroVital were of the
20 quality represented by Defendants' packaging and advertising. Plaintiffs would not
21 have purchased SeroVital or the Products if they had known that the claims and
22 advertising as described herein were false.

23 244. **ALTER EGO ALLEGATIONS:** As detailed above, *supra* Section II.F,
24 each Individual Defendant and each Operations Entity Defendant was the alter ego of
25 each other Defendant. Accordingly, each Individual Defendant and Defendant Basic
26 Research is jointly and severally liable for the damages proximately caused by each
27 other Defendant's wrongful conduct. There is a unity of interest and ownership
28 between amongst the Individual Defendants and the Basic Research affiliates they

1 own and operate. The Individual Defendants and Defendant Basic Research
2 commingled funds and/or other assets; failed to segregate funds and/or assets; they
3 diverted funds and/or assets to unauthorized uses; they treated each other Defendant's
4 assets as their own; they failed to obtain requisite authority before acting; held each
5 other Defendant out as liable for the debts of the other Defendant; they failed to
6 maintain adequate and separate records; shared identical equitable and/or legal
7 owners; they exercised domination and control over each other Defendant; shared
8 identical officers, directors, supervisors, and/or managers; they were wholly owned
9 by the same individual or group of individuals who share familial and/or marital ties;
10 used the same office or business location, equipment, and/or computer network,
11 among other things; employed the same employees and/or attorney; failed to
12 adequately capitalize the business and/or company; they used the entity(ies) as mere
13 shell(s), instrumentality(ies), and/or conduit(s) for a single venture, the business of an
14 individual, or the business of another entity; concealed and misrepresented the
15 identity of the responsible ownership, management, and/or financial interest;
16 concealed personal or unauthorized business activities; disregarded legal formalities;
17 failed to maintain arm's length relationships amongst each other Defendant; used each
18 other Defendant to procure labor, services, goods, and/or monies of another; diverted
19 assets to the detriment of creditors; manipulated assets and liabilities to concentrate
20 assets in one or more Defendant(s) and liabilities in the other Defendant(s); contracted
21 with another with the intent to avoid performance by use of the other Defendant as a
22 shield against its(their) liability; used each other Defendant as a subterfuge of illegal
23 transactions; and/or formed and/or used each other Defendant to transfer to it(them)
24 or away from it(them) the existing liability.

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IX.

COUNT FOUR

Violation of California Unfair Competition Law

California Business & Professions Code sections 17200, et seq.

On Behalf of Plaintiffs and the California Subclass Against All Defendants

245. Plaintiffs repeat and reallege the allegations set forth above, and incorporate the same as if set forth herein at length.

246. This cause of action is brought pursuant to Business and Professions Code Section 17200, et seq., on behalf of a Class consisting of “All persons who purchased the Products in the State of California for personal use and not for resale during the time period May 9, 2014, through the present. Excluded from the Class are Defendants’ officers, directors, and employees, and any individual who received remuneration from Defendants in connection with that individual’s use or endorsement of the Products.”

A. “Unfair” Prong

247. Under California’s Unfair Competition Law, California Business and Professions Code Section 17200, et seq., a challenged activity is “unfair” when “any injury it causes outweighs any benefits provided to consumers and the injury is one that the consumers themselves could not reasonably avoid.” *Camacho v. Auto Club of Southern California*, 142 Cal. App. 4th 1394, 1403 (2006).

248. Defendants’ action of falsely advertising the purported HGH increasing and anti-aging benefits of the Products do not confer any benefit to consumers.

249. Defendants’ action of falsely advertising the purported HGH increasing and anti-aging benefits of the Products cause financial injuries to consumers because they do not receive the anti-aging benefits commensurate with their reasonable expectation.

250. Consumers cannot avoid any of the injuries caused by Defendants’ false advertising.

1 251. Accordingly, the injuries caused by Defendants’ false advertising
2 activities outweigh any benefits to consumers.

3 252. Some courts conduct a balancing test to decide if a challenged activity
4 amounts to unfair conduct under California Business and Professions Code Section
5 17200. They “weigh the utility of the defendant’s conduct against the gravity of the
6 harm to the alleged victim.” *Davis v. HSBC Bank Nevada, N.A.*, 691 F.3d 1152, 1169
7 (9th Cir. 2012).

8 253. Here, Defendants’ false advertising activities have no utility and
9 financially harm consumers. Thus, the utility of Defendants’ conduct is vastly
10 outweighed by the gravity of harm.

11 254. Some courts require that “unfairness must be tethered to some legislative
12 declared policy or proof of some actual or threatened impact on competition.” *Lozano*
13 *v. AT&T Wireless Servs. Inc.*, 504 F. 3d 718, 735 (9th Cir. 2007).

14 255. The California Legislature has passed several laws consistent with its
15 policy against false and misleading advertising, including the CLRA and the FAL.
16 Thus, the unfairness of Defendants’ advertising and labeling of the Products are
17 tethered to the California Legislature’s policy against false and misleading
18 advertising.

19 256. Defendants’ advertising and packaging of the Products, as alleged in the
20 preceding paragraphs, is false, deceptive, misleading, and unreasonable, and
21 constitutes unfair conduct.

22 257. Defendants knew or should have known of its unfair conduct.

23 258. As alleged in the preceding paragraphs, the misrepresentations by
24 Defendants detailed above constitute an unfair business practice within the meaning
25 of California Business and Professions Code Section 17200.

26 259. There existed reasonably available alternatives to further Defendants’
27 legitimate business interests, other than the conduct described herein.

28 260. All of the conduct alleged herein occurs and continues to occur in

1 Defendants' business. Defendants' wrongful conduct is part of a pattern or
2 generalized course of conduct repeated on thousands of occasions daily.

3 261. In addition, Defendants' use of various forms of advertising media to
4 advertise, call attention to, or give publicity to the sale of goods or merchandise that
5 are not as represented in any manner constitutes unfair competition, unfair, deceptive,
6 untrue, or misleading advertising, and an unlawful business practice within the
7 meaning of Business & Professions Code Section 17200.

8 262. Pursuant to Business & Professions Code Section 17203, Plaintiffs and
9 the members of the Class seek an order of this Court enjoining Defendants from
10 continuing to engage, use, or employ their practice of advertising the sale and use of
11 the Products. Likewise, Plaintiffs and the members of the Class seek an order
12 requiring Defendants to disclose such misrepresentations, and additionally request an
13 order awarding Plaintiffs restitution of the money wrongfully acquired by Defendants
14 by means of responsibility attached to Defendants' failure to disclose the existence
15 and significance of said misrepresentations in an amount to be determined at trial.

16 263. Plaintiffs and the Class have suffered injury in fact and have lost money
17 as a result of Defendants' unfair conduct. Plaintiffs would not have purchased the
18 SeroVital had they known the claims and advertising as described herein were false.

19 264. **ALTER EGO ALLEGATIONS:** As detailed above, *supra* Section II.F,
20 each Individual Defendant and each Operations Entity Defendant was the alter ego of
21 each other Defendant. Accordingly, each Individual Defendant and Defendant Basic
22 Research is jointly and severally liable for the damages proximately caused by each
23 other Defendant's wrongful conduct. There is a unity of interest and ownership
24 between amongst the Individual Defendants and the Basic Research affiliates they
25 own and operate. The Individual Defendants and Defendant Basic Research
26 commingled funds and/or other assets; failed to segregate funds and/or assets; they
27 diverted funds and/or assets to unauthorized uses; they treated each other Defendant's
28 assets as their own; they failed to obtain requisite authority before acting; held each

1 other Defendant out as liable for the debts of the other Defendant; they failed to
2 maintain adequate and separate records; shared identical equitable and/or legal
3 owners; they exercised domination and control over each other Defendant; shared
4 identical officers, directors, supervisors, and/or managers; they were wholly owned
5 by the same individual or group of individuals who share familial and/or marital ties;
6 used the same office or business location, equipment, and/or computer network,
7 among other things; employed the same employees and/or attorney; failed to
8 adequately capitalize the business and/or company; they used the entity(ies) as mere
9 shell(s), instrumentality(ies), and/or conduit(s) for a single venture, the business of an
10 individual, or the business of another entity; concealed and misrepresented the
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12 concealed personal or unauthorized business activities; disregarded legal formalities;
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14 other Defendant to procure labor, services, goods, and/or monies of another; diverted
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16 assets in one or more Defendant(s) and liabilities in the other Defendant(s); contracted
17 with another with the intent to avoid performance by use of the other Defendant as a
18 shield against its(their) liability; used each other Defendant as a subterfuge of illegal
19 transactions; and/or formed and/or used each other Defendant to transfer to it(them)
20 or away from it(them) the existing liability..

21 **B. "Fraudulent" Prong**

22 265. California Business and Professions Code Section 17200, *et seq.*, considers
23 conduct fraudulent and prohibits said conduct if it is likely to deceive members of the
24 public. *Bank of Wes v. Superior Court*, 2 Cal. 4th 1254, 553 (1992).

25 266. Members of the public base their purchasing decisions on the truthfulness
26 of representations made on the packages and labels and other advertising of
27 consumers products.

28 267. Defendants' conduct of advertising and labeling the Products in a false,

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1 deceptive, and misleading manner is likely to deceive members of the public.

2 268. Defendants’ advertising and packaging of the Products, as alleged in the

3 preceding paragraphs, is false, deceptive, misleading, and unreasonable, and

4 constitutes fraudulent conduct.

5 269. Defendants knew or should have known of their fraudulent conduct.

6 270. As alleged in the preceding paragraphs, the misrepresentations by

7 Defendants detailed above constitute a fraudulent business practice in violation of

8 California Business and Professions Code Section 17200.

9 271. Defendants had reasonable available alternatives to further its legitimate

10 business interests, other than the conduct described herein.

11 272. All of the conduct alleged herein occurs and continues to occur in

12 Defendants’ business. Defendants’ wrongful conduct is part of a pattern or

13 generalized course of conduct repeated on thousands of occasions daily.

14 273. Pursuant to Business and Professions Code Sections 17203, Plaintiffs and

15 the Class seek an order of this Court enjoining Defendants from continuing to engage,

16 use, or employ their practice of false, deceptive, and misleading advertising.

17 Likewise, Plaintiffs and the Class seek an order requiring Defendants to disclose such

18 misrepresentations, and additionally request an order awarding Plaintiffs restitution

19 of the money wrongfully acquired by Defendants by means of responsibility attached

20 to Defendants’ failure to disclose the existence and significance of said

21 misrepresentations in an amount to be determined at trial.

22 274. Plaintiffs and the Class have suffered injury in fact and have lost money as

23 a result of Defendants’ fraudulent conduct. Plaintiffs would not have purchased

24 SeroVital or the Products if they had known the representations were false.

25 **275. ALTER EGO ALLEGATIONS:** As detailed above, *supra* Section II.F,

26 each Individual Defendant and each Operations Entity Defendant was the alter ego of

27 each other Defendant. Accordingly, each Individual Defendant and Defendant Basic

28 Research is jointly and severally liable for the damages proximately caused by each

1 other Defendant’s wrongful conduct. There is a unity of interest and ownership
2 between amongst the Individual Defendants and the Basic Research affiliates they
3 own and operate. The Individual Defendants and Defendant Basic Research
4 commingled funds and/or other assets; failed to segregate funds and/or assets; they
5 diverted funds and/or assets to unauthorized uses; they treated each other Defendant’s
6 assets as their own; they failed to obtain requisite authority before acting; held each
7 other Defendant out as liable for the debts of the other Defendant; they failed to
8 maintain adequate and separate records; shared identical equitable and/or legal
9 owners; they exercised domination and control over each other Defendant; shared
10 identical officers, directors, supervisors, and/or managers; they were wholly owned
11 by the same individual or group of individuals who share familial and/or marital ties;
12 used the same office or business location, equipment, and/or computer network,
13 among other things; employed the same employees and/or attorney; failed to
14 adequately capitalize the business and/or company; they used the entity(ies) as mere
15 shell(s), instrumentality(ies), and/or conduit(s) for a single venture, the business of an
16 individual, or the business of another entity; concealed and misrepresented the
17 identity of the responsible ownership, management, and/or financial interest;
18 concealed personal or unauthorized business activities; disregarded legal formalities;
19 failed to maintain arm’s length relationships amongst each other Defendant; used each
20 other Defendant to procure labor, services, goods, and/or monies of another; diverted
21 assets to the detriment of creditors; manipulated assets and liabilities to concentrate
22 assets in one or more Defendant(s) and liabilities in the other Defendant(s); contracted
23 with another with the intent to avoid performance by use of the other Defendant as a
24 shield against its(their) liability; used each other Defendant as a subterfuge of illegal
25 transactions; and/or formed and/or used each other Defendant to transfer to it(them)
26 or away from it(them) the existing liability..

27 **C. “Unlawful” Prong**

28 276.California Business and Professions Code Section 17200, *et seq.*, identifies

1 violations of other laws as “unlawful practices that the unfair competition law makes
2 independently actionable.” *Velazquez v. GMAC Mortg. Corp.*, 605 F. Supp. 2d 1049,
3 1068 (C.D. Cal. 2008).

4 277. Defendants’ advertising and labeling of the Products, as alleged in the
5 preceding paragraphs, violates California Civil Code Section 1750, *et seq.* and
6 California Business and Professions Code Section 17500, *et seq.*

7 278. Defendants’ advertising and labeling of the Products, as alleged in the
8 preceding paragraphs, is false, deceptive, misleading, and unreasonable, and
9 constitutes unlawful conduct.

10 279. Defendants participation in racketeering scheme to market the Products, as
11 alleged in the preceding paragraphs, violates 18 U.S.C. § 1962(b) and (d).

12 280. Defendants knew or should have known of its unlawful conduct.

13 281. As alleged in the preceding paragraphs, the misrepresentations by
14 Defendants detailed above constitute a fraudulent business practice in violation of
15 California Business and Professions Code Section 17200.

16 282. Defendants had reasonable available alternatives to further its legitimate
17 business interests, other than the conduct described herein.

18 283. All of the conduct alleged herein occurs and continues to occur in
19 Defendants’ business. Defendants’ wrongful conduct is part of a pattern or
20 generalized course of conduct repeated on thousands of occasions daily.

21 284. Pursuant to Business and Professions Code Sections 17203, Plaintiffs and
22 the Class seek an order of this Court enjoining Defendants from continuing to engage,
23 use, or employ their practice of false, deceptive, and misleading advertising.
24 Likewise, Plaintiff and the Class seek an order requiring Defendants to disclose such
25 misrepresentations, and additionally request an order awarding Plaintiffs restitution
26 of the money wrongfully acquired by Defendants by means of responsibility attached
27 to Defendants’ failure to disclose the existence and significance of said
28 misrepresentations in an amount to be determined at trial.

1 285. Plaintiffs and the Class have suffered injury in fact and have lost money as
2 a result of Defendants' fraudulent conduct. Plaintiffs would not have purchased
3 SeroVital or the Products if they had known the representations were false.

4 **286. ALTER EGO ALLEGATIONS:** As detailed above, *supra* Section II.F,
5 each Individual Defendant and each Operations Entity Defendant was the alter ego of
6 each other Defendant. Accordingly, each Individual Defendant and Defendant Basic
7 Research is jointly and severally liable for the damages proximately caused by each
8 other Defendant's wrongful conduct. There is a unity of interest and ownership
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17 identical officers, directors, supervisors, and/or managers; they were wholly owned
18 by the same individual or group of individuals who share familial and/or marital ties;
19 used the same office or business location, equipment, and/or computer network,
20 among other things; employed the same employees and/or attorney; failed to
21 adequately capitalize the business and/or company; they used the entity(ies) as mere
22 shell(s), instrumentality(ies), and/or conduit(s) for a single venture, the business of an
23 individual, or the business of another entity; concealed and misrepresented the
24 identity of the responsible ownership, management, and/or financial interest;
25 concealed personal or unauthorized business activities; disregarded legal formalities;
26 failed to maintain arm's length relationships amongst each other Defendant; used each
27 other Defendant to procure labor, services, goods, and/or monies of another; diverted
28 assets to the detriment of creditors; manipulated assets and liabilities to concentrate

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2 with another with the intent to avoid performance by use of the other Defendant as a
3 shield against its(their) liability; used each other Defendant as a subterfuge of illegal
4 transactions; and/or formed and/or used each other Defendant to transfer to it(them)
5 or away from it(them) the existing liability..

6 **X. PRAYER FOR RELIEF**

7 287.WHEREFORE, Plaintiffs, on behalf of themselves and on behalf of the
8 members of the Class and California Subclass defined herein, pray for judgment and
9 relief on all Causes of Action as follows:

- 10 a. For an order certifying the Class and California Subclass,
11 appointing Plaintiffs as representatives, and designating Plaintiffs’
12 counsel as counsel for the Class and California Subclass;
- 13 b. For all forms of relief set forth above;
- 14 c. Damages, including treble damages, against Defendants in an
15 amount to be determined at trial, together with pre- and post-
16 judgment interest at the maximum rate allowable by law on any
17 amounts awarded;
- 18 d. Restitution and/or disgorgement in an amount to be determined at
19 trial;
- 20 e. For an order enjoining Defendants, directly or through any
21 corporation, partnership, subsidiary, division, trade name, or other
22 device, from pursuing the policies, acts, and practices complained
23 of herein;
- 24 f. For an order enjoining Defendants, directly or through any
25 corporation, partnership, subsidiary, division, trade name, or other
26 device, in connection with the manufacturing, labeling, packaging,
27 advertising, promotion, offering for sale, sale, or distribution of any
28 HGH product to not provide to others the means and

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- 1 instrumentalities to pursue the policies, acts, and practices
- 2 complained of herein;
- 3 g. Punitive damages;
- 4 h. For pre-judgment interest from the date of filing this suit;
- 5 i. Reasonable attorney fees and costs, pursuant to, without limitation,
- 6 the California Legal Remedies Act and California Civil Code of
- 7 Procedure § 1021.5; and
- 8 j. Such other and further relief as the Court may deem necessary or
- 9 appropriate.

10 DATED: May 18, 2022

Respectfully Submitted,

/s/ Annick M. Persinger
TYCKO & ZAVAREEI, LLP
Annick M. Persinger

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Katherine A. Bruce
Kelsey J. Elling

*Attorneys for Plaintiffs Raul Pizana,
Maureen Hobbs, Charles Berglund,
Jeanette Mills, Erica LaRoche, Ann Marie
Lynch, Sal Munoz, Keith Barnes, and the
Proposed Classes*

DEMAND FOR JURY TRIAL

20 Plaintiffs hereby demand a trial by jury for all causes of action and issues so
21 triable.

22 DATED: May 18, 2022

Respectfully Submitted,

/s/ Annick M. Persinger
TYCKO & ZAVAREEI, LLP
Annick M. Persinger

*Attorneys for Plaintiffs Raul Pizana,
Maureen Hobbs, Charles Berglund,
Jeanette Mills, Erica LaRoche, Ann Marie
Lynch, Oskar Laffont, Sal Munoz, Keith
Barnes, and the Proposed Classes*