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Plaintiff VPN.com <u>LLC</u> ("VPN"), by and through undersigned counsel, for VPN's <u>First Amended</u> Complaint against <u>Defendants Defendant Eitan Z.</u>, <u>a/k/a</u> George Dikian ("Dikian" <u>or "Eitan Z."</u>), <u>Qiang Du ("Du")</u> and John Doe ("Doe") (together as "Defendants"), hereby alleges as follows:

NATURE OF ACTON

- 1. This is an action for the recovery of damages due to a massive fraud perpetrated by Dikian, Du, and Doe, spanning several months, that ultimately lured VPN into sending Defendants \$250,000 as part of what turned out to be two completely fraudulent domain name sale transactions.
- 2. The Defendants used, *inter alia*, the reputation of "George Dikian," a well-known domain name investorfraudulently created and unregistered alias manufactured by Dikian across at least fourfive different email addresses, including but not limited to: ezively@live.com, g.dikian@yahoo.com, George.dikian@gmail.com, George@89.com, and reseller,George@37.net as well as a sophisticated, fraudulent online website that posed as an escrow service, Intermediar.com ("Intermediar"), as the linchpins in their scheme to convince VPN that VPN was brokering legitimate transactions between for Dikian and Du.

3. Once VPN remitted \$250,000 directly to Dikian in accordance with the terms of one of the domain name transactions, Defendants then stalled both transactions, cut off all communications with VPN, and left VPN without recourse other than to file this suit.

4. VPN now seeks relief in this Court against Defendants with a claims for fraud and violation of the Civil RICO statute, seeking, *inter alia*, the \$250,000 that was unambiguously wired to and accepted by Defendants, VPN's accrued, unpaid commissions from both transactions, which totals \$6,625,000, and punitive damages that will deter Defendants from defrauding any further victims: (as detailed herein, VPN is not the only victim of Defendants).

PARTIES

- 5. VPN is a Georgia limited liability company with a principal place of business at 378 Aldridge Avenue, Scottdale, GA 30079. VPN's sole members, Michael Gargiulo and Joseph Gargiulo, are also citizens of Georgia.
- 6. is an individual, who, upon information and belief, resides and is domiciled in the State of California.
- 7. Du is an individual, who, upon information and belief, resides and is domiciled in the Hong Kong Special Administrative Region of the People's Republic of China.

8. John Doe is an individual whose identity is unknown to VPN at this time, but who, upon information and belief, worked with and conspired with Dikian and Du in the scheme to defraud VPN.

JURISDICTION AND VENUE

9. This Court has federal question subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and arising from an alleged violation of the RICO statute, 18 U.S.C. §§ 1961.

10.9. This Court also The Court has diversity subject matter jurisdiction pursuant to 28 U.S.C. § 1332.

11.10. The Court has personal jurisdiction over as, upon information and belief, resides in California. The Court has personal jurisdiction over Du and Doe due to their involvement in the fraud, their connection to Dikian, conducts substantial business in California, their violation of the RICO statute, their otherwise minimum contacts with the US and withand uses the alias George Dikian, which also (fraudulently) uses a California, and due to the interests of both the Court and of justice in hearing this case against all Defendants. address as a place of residence.

12.11. Venue is proper in this Court pursuant to 28 U.S. Code § 1391 (b)(1) as well as pursuant to 18 U.S.C. § 1965.3).

STATEMENT OF FACTS

13.12. VPN is, *inter alia*, a domain name broker specialist, helping buyers and sellers connect and transact on some of the most high-profile domain names available on the web today.

14.13. On March 8, 2022, VPN was approached by Du, who, upon information and belief, owns thean individual claiming to be named "Qiang Du" ("Du"), associated with an entity called ZTE Holdings (中興新) ("ZTE").

15.14. Du stated that ZTE was interested in purchasing the domain name <89.com> ("89.com") and sought VPN's help in identifying the owner and facilitating the transaction (the "Intermediar Transaction").

16.15. After confirming Du's serious intention to acquire 89.com, VPN began its work to identify the owner of 89.com and determine whether an acquisition could be possible.

17.16. Upon investigation, VPN discovered that 89.com was owned by Dikian, whom VPN had communicated with in the past regarding certain potential domain name sale transactions.

<u>17.</u> Dikian, as the alias of Eitan Z., is a well-known domain name investor and reseller, with, upon information and belief, over 1,800 domain

1	name registrations tied to his email address addresses G.Dikian@yahoo.com_and
2	ezively@live.com.
3	18. Upon information and belief, Eitan Z. uses the Dikian alias
4	because his true identity is tied to a history of cybersquatting and trademark
5	infringement lawsuits and domain name disputes, including actions that allege
6	Eitan Z. redirected famous typo-squat domain names to pornography websites.
7	19. Nevertheless, Eitan Z. is the true owner and operator of the email
8	addresses and accounts G.Dikian@yahoo.com and ezively@live.com.
9	20. Eitan Z. is also the owner and operator of the domain names
10	89.com and 37.net.
11	18.21. On March 8, 2022, VPN reached out to Dikian by email at
12	Dikian's known email addresses "G.Dikian@yahoo.com" and
13	"George@37.net". These email addresses were known by VPN due to VPN's
14	previous communications with Dikian dating back to 2015, and these email
15	addresses were also confirmed by VPN through internal investigation, namely
16	by searching historical WHOIS records for 89.com.
17	19.22. On March 8, 2022, Dikian responded to VPN and stated that
18	89.com could be acquired in the range of 2-3 million dollars.
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20.23. VPN considered this a reasonable opening position, particularly given the value of 89.com in the Chinese market, as the numbers 8 and 9 are very significant in Chinese culture.

21.24. VPN then worked, over the course of several weeks, to broker the deal between Dikian and Du. During this time, VPN communicated with Dikian by email on a near daily basis, through several email addresses, including G.Dikian@Yahoo.com, George.Dikian@Gmail.com, and George@37.net.

22.25. After several rounds of negotiation with Dikian, Dikian agreed on an acquisition price of \$2,250,000 net to Dikian.

23.26. After several rounds of negotiation with Du, Du agreed on an acquisition price of \$4,400,000 to be paid by Du.

24.27. VPN's net proceeds for brokering facilitating the deal would be \$2,150,000.

25.28. Despite VPN's insistence that either Escrow.com or Epik.com be used to escrow and facilitate the transaction, Dikian insisted that the transaction be done through Intermediar, which Dikian stated could easily facilitate payment in Bitcoin, causing less of a tax burden for Dikian on the transaction.

26.29. After the setup and Identity Verification was completed by Intermediar for each party, Dikian, Du, and VPN agreed to use Intermediar to facilitate the Intermediar Transaction, but Du stated that Du could not purchase Bitcoin to fund the transaction, since Du was located in China, which has a complete ban on transacting in cryptocurrencies.

27.30. After further back and forth with Dikian on this issue, Dikian agreed to accept \$2,000,000 in USD from Du through Intermediar and \$250,000 in a direct Bitcoin payment from VPN, which VPN would send after its Broker commission payout was released by Intermediar.

28.31. On March 12, 2022, VPN registered an account with Intermediar to act as Broker, and subsequently sent verification documents, including individual and business identification documents, to verify the account per Intermediar's instructions.

29.32. On April 15, 2022, Du confirmed to VPN that Du's Intermediar account was registered under yingxiao@zte.com.cn. This statement was false, as Intermediar is a fraudulent escrow service.

30.33. On April 16, 2022, Dikian emailed VPN from the email address "George@89.com" inquiring whether VPN was ready to complete the transaction. The use of this email address, tied to 89.com, served as further proof of Dikian's identity and the legitimacy of the Intermediar Transaction.

31.34. The headers for the George@89.com email address show that authentication "passed," and list the server as "websitewelcome.com," which is

1	the email server used by HostGator, the company where 89.com is registered.
2	This confirmed VPN was communicating directly with the owner of 89.com
3	32.35. On April 20, 2022, Intermediar set up the Intermediar Transaction,
4	and on the same day, Dikian purported to accept the transaction's terms through
5	Dikian's Intermediar account registered under G.Dikian@yahoo.com.
6	33.36.On April 23, 2022, Intermediar confirmed that Du had partially
7	funded the transaction by depositing \$2,200,000 into Intermediar. This
8	confirmation was false.
9	34.37. On April 24, 2022, Intermediar confirmed that Dikian had
10	delivered 89.com into escrow with Intermediar. This confirmation was false, as
11	Dikian never transferred the domain name.
12	35.38. On April 24, 2022, Dikian provided his Bitcoin wallet address to
13	VPN in order for VPN to make the \$250,000 payment once Intermediar
14	confirmed completion of the transaction. Dikian provided the following Bitcoin
15	wallet address: bc1qymcdwgqde47qxd8s7tk0jyufpgejrgtg4gw5qr.
16	36.39. On April 27, 2022, Intermediar confirmed that 89.com had been
17	delivered to Du's Intermediar account for a one-day inspection period. This
18	confirmation was false, as 89.com was never transferred.
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37.40. On April 29, 2022, Intermediar confirmed that Du had accepted delivery of 89.com, that the transaction was now completed, and that payouts from the deal would be forthcoming. This statement was false.

38.41. While the Intermediar Transaction was coming to a close, but not

yet completed, Dikian provided a list to VPN with 95 additional premium domains for transacting. VPN then began negotiating with between Dikian on behalf of and Du for an acquisition of the package of 95 three-number domain names, which can be seen on the list of Annex A attached hereto (the "95 3N Domains") (the "Escrow.com Transaction").

39.42. After <u>further</u> negotiations on both sides, VPN, Dikian and Du came to terms on the Escrow.com Transaction, with <u>a deal that would see</u> Du paying \$12,530,000, Dikian receiving \$8,025,000, and VPN receiving \$4,475,000.

40.43. Upon information and belief, Defendants arranged the Escrow.com Transaction in order to lend credibility to their fraud and to the <u>fraudulent</u>

Intermediar Transaction, <u>which had not yet closed</u>. Of note, this time, Dikian agreed to facilitate the sale of the 95 3N Domains through Escrow.com, one of the world's largest and most reputable online escrow services with over \$5 billion in transactions processed.

41.44. On May 1, 2022, upon VPN's insistence, Dikian sent VPN a video showing emails evidencing the recent re-registrations of many of the 95 3N

54.57. On May 10, 2022, Du confirmed to VPN that 89.com had been successfully transferred into Du's Intermediar account. This was a lie.

55.58. On May 11, 2022, Dikian contacted VPN feigning ignorance of the entire 89.com transaction, insisting that it was "imposters/scammers" that had taken over Dikian's email address, and insisting that Dikian did not receive the Bitcoin that VPN sent. Notably, Dikian emailed VPN from the g.dikian@yahoo.com email address that VPN first emailed Dikian at in March and on various emails since that time.

56.59. VPN later checked the headers for the various g.dikian@yahoo.com emails, all of which used IP addresses assigned to Oath Holdings, Inc., the original name of the company created by Verizon to hold Yahoo's assets, after they were acquired by Verizon. The headers also specified that the emails "passed." As such, the emails did not appear to have been spoofed.

57.60. On May 12, 2022, Intermediar finally responded, and notified VPN that the transaction and all withdrawals were being put on hold due to Dikian requesting cancellation of the transaction.

58.61. According to Intermediar, the reason Dikian requested cancellation was that Dikian never received the \$250,000 in Bitcoin.

1	59.62. VPN informed Intermediar that Dikian and Intermediar had no
2	right to cancel the Intermediar Transaction, and that the Bitcoin was sent to
3	Dikian at the address Dikian specified and the transaction completed as agreed.
4	60.63. On or around that same day of May 12, 2022, Dikian began
5	withdrawing the 6.27 Bitcoin from the wallet VPN had sent the Bitcoin. The
6	wallet was completely emptied by the following day, May 13, 2022.
7	61.64. On or around May 13, 2022, and continuing thereafter, VPN made
8	several inquiries to Intermediar regarding the status of the Intermediar
9	Transaction, informing them that Dikian had received and withdrew the Bitcoin
10	sent to him, and demanding that Intermediar release VPN's commission funds.
11	62.65. Intermediar refused to release the funds and eventually completely
12	shut off all communication with VPN.
13	63.66. VPN's investigation reveals that 89.com was never transferred
14	from its underlying registrar.
15	FIRST CLAIM FOR RELIEF
16	(FRAUD)
17	64.67. VPN realleges and incorporates by reference the preceding
18	paragraphs set forth above as if fully stated under this claim.
19	65.68. Defendants intentionally targeted VPN with their scam. Du, as
20	either another fraudulently-created alias of Eitan Z., or else one of Dikian's co-

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conspirators working on the fraud, contacted VPN seeking to buy a domain name that Du knew was owned by Dikian. Du knew that Dikian would insist on using a fraudulent escrow service to process the "transaction," and he would grudgingly agree to use that service.

66.69. Dikian knew of VPN from past dealings, and concocted a scam, whereby VPN would be thrown off by the fact that VPN would be contacting Dikian at a known email address, which which was also verified by Escrow.com, and would engender VPN's trust.

67.70. From March 2022 through May 2022, Defendants Dikian committed fraud by intentionally and falsely making repeated false representations about the legitimacy of the Intermediar Transaction, including that 89.com had been successfully received by Du, that the transaction had been completed, that VPN's Broker funds had been wired by Intermediar to VPN's bank, that the Escrow.com transaction had been agreed to, verified, and approved, and by representing that Intermediar was a legitimate escrow service when in fact Intermediar is a fake website and fraudulent service that was used by Defendants, and upon information and belief, created and operated by DefendantsDikian, directly or indirectly, or a co-conspirator of Dikian, for the sole purpose of committing fraud against unsuspecting victims such as VPN.

service.

68.71. That Dikian had produced verification and identity documents to pass Escrow.com verification, and that Dikian had sent a video to VPN showing the re-registrations of the 95 3N Domains, gave further assurance to VPN that the Intermediar Transaction was legitimate as Dikian provided proof of registrant administrative access to the domains, and was a catalyst for VPN wiring the Bitcoin to Dikian on May 4, 2022, just-two days after Escrow.com had confirmed Dikian's identity. These were also false representations of fact. 69.72. The false representations as described herein by Dikian Defendants were material, including the false representation that Defendants was sent from Intermediar on the morning of May 4, 2022, that informed VPN that its Broker proceeds had been wired to VPN's bank account. Indeed, it was later that same evening that VPN did make the \$250,000 payment to Dikian. 70.73. At all relevant times, Defendants had knowledge of the falsity of their representations, including that Defendants Dikian had no intention of completing the transactions and including that Defendants knew Intermediar was set up as a fake and fraudulent website posing as a real online escrow

74. Forensic data, including the login history and internet protocol addresses for Dikian's g.dikian@yahoo.com email account, are consistent with

1	Dikian using and accessing his account during the relevant period of the fraud
2	and from the relevant locations where Dikian lives and travelled.
3	75. Furthermore, VPN is not the only victim of Dikian. Dikian
4	defrauded at least one other unsuspecting domain name transactor immediately
5	prior to scamming Plaintiff (the "Previous Victim").
6	76. Dikian used, inter alia, the well-known reputation and domain
7	portfolio of Dikian, the g.dikian@yahoo.com email address, and Intermediar to
8	lure the Previous Victim into sending Defendant \$20,000 in USD Coin
9	cryptocurrency ("USDC") before DefendantDikian eventually shut off
10	communications and failed to transfer the relevant domain name, similar to the
11	playbook used against VPN.
12	77. The Previous Victim sent a demand to the g.dikian@yahoo.com
13	email address in April 2022, in which he threatened legal action, and to which
14	he initially received no response. However, Dikian responded to the email on
15	December 7, 2022 from the same g.dikian@yahoo.com email address used to
16	defraud both Plaintiff and the Previous Victim.
17	78. In his December 7, 2022 email, Dikian responded:
18	"Very interesting developments."
19	"Please provide me your phone number, I'd like to discuss/help resolve."
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and done with conscious and callous indifference to the consequences and with specific intent to harm. Accordingly, VPN is entitled to an award of punitive damages from Defendants and each of them in an amount to be proven at trial and sufficient to punish, penalize and deter Defendants from engaging in such conduct in the future.

SECOND CLAIM FOR RELIEF

(Federal Civil RICO - Violation of 18 U.S.C. § 1962(c))

VPN realleges and incorporates by reference the preceding paragraphs set forth above as if fully stated under this claim.

VPN alleges that Defendants' conduct, and the conduct of each Defendant named herein, constitutes racketeering as set forth in 18 U.S.C. § 1964(c). Specifically, Congress has defined "racketeering" to include wire fraud, or committing fraud by means of electronic transmissions over wire.

76. The Defendants here engaged in multiple instances of wire fraud, including setting up and using a fraudulent online domain name and website, Intermediar, which posed as a legitimate online escrow service.

The fact that Intermediar remains up and continues to appear as a legitimate business and online escrow service to date further shows Defendants' pattern of racketeering and continued ability to defraud others.

78. Defendants also carried out their scheme through many emails sent by wire to VPN; and Dikian requested and accepted payment through use of the Internet and blockchain technology, specifically receiving funds through the Bitcoin Lightning network.

79. Furthermore, as described herein, from March 2022 through May 2022, Defendants committed multiple predicate acts in furtherance of their scheme, including by intentionally and falsely making repeated representations about the legitimacy of the Intermediar Transaction, including that 89.com had been successfully received by Du, that the transaction had been completed, that VPN's Broker funds had been wired by Intermediar to VPN's bank, that the Escrow.com transaction had been agreed to, verified, and approved, and by representing that Intermediar was a legitimate escrow service when in fact Intermediar is a fake website and fraudulent service that was used by Defendants, and upon information and belief, created and operated by Defendants for the sole purpose of committing fraud against unsuspecting victims such as VPN.

80. Finally, by accepting and failing to return the \$250,000 in Bitcoin, and without completing the transactions, Defendants have committed theft of VPN's rightful funds.

81. Dikian, Du, and Doe worked together throughout the above events 1 as an enterprise to commit their fraud, including by using the fraudulent 2 Intermediar as well as Dikian's well-known reputation and identity as the 3 linchpins for their successful enterprise. 4 5 PRAYER FOR RELIEF WHEREFORE, VPN respectfully requests judgment against Defendants 6 as follows: 7 Damages according to proof at trial, but in an amount not less than i. 8 \$6,625,000 in Broker commissions owed from both transactions, and 9 \$250,000 that VPN wiredsent to Defendants Dikian as part of 10 Defendants' fraud; 11 12 Enhanced (treble) monetary damages pursuant to 18 U.S.C. § 1964(c); A preliminary and permanent injunction freezing the <89.com> 13 domain name and the 95 3N Domains (as listed in Annex A); 14 Litigation expenses, including reasonable attorneys' fees, court costs, 15 iv.iii. disbursement, and costs of collection; 16 Punitive damages in the sum of not less than \$5,000,000 or an amount 17 ₩.iv. otherwise to be decided by a jury; and 18 Such other and further relief as this Court deems just and proper. 19 20 21 FIRST AMENDED COMPLAINT

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Annex A

(95 3N Domains)

014.com	026.com	037.com	041.com	043.com	044.com
049.com	066.com	142.com	146.com	148.com	149.com
158.com	226.com	264.com	269.com	301.com	309.com
320.com	326.com	375.com	409.com	410.com	432.com
443.com	470.com	473.com	475.com	4 80.com	485.com
490.com	550.com	575.com	607.com	639.com	645.com
670.com	690.com	7-7.com	735.com	745.com	774.com
782.com	783.com	784.com	785.com	790.com	806.com
811.com	812.com	821.com	824.com	825.com	827.com
829.com	830.com	832.com	834.com	835.com	836.com
839.com	841.com	842.com	844.com	845.com	846.com
849.com	851.com	853.com	854.com	856.com	859.com
861.com	862.com	865.com	866.com	869.com	871.com
872.com	873.com	874.com	875.com	884.com	890.com
891.com	892.com	893.com	894.com	895.com	896.com
897.com	903.com	910.com	941.com	965.com	