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JENNIFER YANG also known as MEI HWA YANG

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

JENNIFER YANG also known as MEI
HWA YANG, an individual,

Plaintiff,

vs.

HERBERT PAN also known as LIANG
PAN also known as HERBERT LIANG
PAN, an individual; PA PING HSU also
known as DIANA HSU also known as
DIANA PAN also known as PA PING
HSUPAN also known as DIANA HSU
PAN, an individual; CHIANG
CHIAYUN, an individual, YICHONG
HSU also known as ERIC HSU, an
individual; CHENGMEI LEE, an
individual; and DOES 1 through 50,
inclusive

Defendants.

Case No. 5:23-CV-01904

COMPLAINT FOR:

1. Violation of Federal Racketeer Influenced and Corrupt Organizations ("RICO") Sections of Title IX of the Organized Crime Control Act of 1970 18 U. S. C. §§ 1961 *et. seq.*;
2. Fraud & Deceit;
3. Fraudulent Concealment;
4. Negligent Misrepresentation - Count 1;
5. Negligent Misrepresentation - Count 2;
6. Violation of California Penal Code §§484,496 (c), and 532;
7. Intentional Interference with Contractual Relations;
8. Violation of Foreign Corrupt Practices Act of 1977 (FCPA) 15 U.S.C. § 78dd-1, *et seq.*;
9. Violation of California False Advertising Law - Business and Professions Code § 17500;
10. Violation of California Business

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- and Professions Code §§ 17200 et seq.;
- 11. Civil Conspiracy;
- 12. Intentional Infliction of Emotional Distress;
- 13. Negligent Infliction of Emotional Distress;
- 14. Temporary and Permanent Injunctive Relief
- 15. Declaratory Relief; and
- 16. Unjust Enrichment.

Jury Trial Demanded

COMPLAINT

Comes now, Plaintiff JENNIFER YANG also known as MEI HWA YANG (“Plaintiff”) by and through undersigned counsel, hereby files this Complaint against Defendants HERBERT PAN also known as LIANG PAN also known as HERBERT LIANG PAN, an individual; PA PING HSU also known as DIANA HSU also known as DIANA PAN also known as PA PING HSU PAN also known as DIANA HSU PAN, an individual; CHIANG CHIAYUN, an individual, YICHONG HSU also known as ERIC HSU, an individual; CHENGMEI LEE, an individual; and DOES 1 through 50, inclusive (Collectively “Defendants”) and alleges:

JURISDICTION AND VENUE

1. Defendants are subject to the jurisdiction of this Court. Each Defendant has committed tortious and fraudulent acts in this District, within the State of California, throughout the United States and has caused damages to victims nationwide and abroad. The individual Defendants have, at all relevant times, also been engaged in continuous and systemic business in the State of California and throughout the country, and/or have committed tortious acts in this state and throughout the country that have damaged Plaintiff. In accordance with 18 U.S.C. §

1 1965(a) and (b), the Defendants are subject to this Court’s jurisdiction in that they
2 “transact affairs” in California and “the ends of justice require that [they] be
3 brought before the Court[.] See U.S.C. § 1965[a] and [b]).

4 2. This Court has personal jurisdiction over defendants pursuant to U.S.C.
5 § 1965[b], “the Court may cause such parties to be summoned, and process for the
6 purpose may be served in any judicial district of the United States by the marshal
7 thereof.” (U.S.C. § 1965[a] and [b]).

8 3. Because Plaintiff asserts claims pursuant to the Racketeer Influenced
9 Corrupt Organizations Act (RICO), 18 U.S.C. §§ 1961-1968, this Court has
10 jurisdiction over this action, pursuant to 28 U.S.C. §1331. The Court has
11 supplemental jurisdiction over the pendent state claim pursuant to 28 U.S.C. §1367.

12 4. Venue is proper in this District, pursuant to 28 U.S.C. § 1391(b) and
13 (c) and 18 U.S.C. § 1965(a) and (b), because a substantial number of the acts and
14 transactions that precipitated Plaintiff’s claims occurred within this District.
15 Defendants did (or solicited) business, and transmitted communications by mail or
16 wire, relating to their illegal scheme, in this district; transacted their affairs, in this
17 judicial-district; and committed wrongful acts in this district, which have directly
18 impacted the general public (of this district), and the ends of justice do require that
19 parties residing in other districts be brought before this Court.

20 **THE PARTIES**

21 5. Plaintiff JENNIFER YANG also known as MEI HWA YANG
22 (“Plaintiff” or “YANG”) is a citizen of the State of California and resides within
23 this judicial District.

24 6. Defendant HERBERT PAN also known as LIANG PAN also known
25 as HERBERT LIANG PAN (“HERBERT”) is a resident of the State of California
26 and resides and transacts business within this judicial District. HERBERT is the
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1 owner of a multi-level marketing business named iHealth Innovative Tech Corp
2 (“iHealth”).

3 7. Defendant PA PING HSU also known as DIANA HSU also known as
4 DIANA PAN also known as PA PING HSU PAN also known as DIANA HSU
5 PAN, (“DIANA”) is a resident of the State of California within this judicial District.
6 DIANA worked with HERBERT to operate iHealth.

7 8. Defendant CHIANG CHIAYUN (“CHIANG”), an individual, at all
8 relevant times herein, was and is a resident of the Taiwan, who worked with
9 HERBERT and DIANA to operate iHealth’s illegal stream of international
10 commerce between United States and Taiwan and participated in the RICO
11 activities alleged in this Complaint.

12 9. YICHONG HSU also known as ERIC HSU (“ERIC”), an individual,
13 at all relevant times herein, was and is a resident of the Taiwan, who worked with
14 HERBERT and DIANA to operate health’s illegal stream of international
15 commerce between United States and Taiwan and participated in the RICO
16 activities alleged in this Complaint.

17 10. Defendant CHENGMEI LEE (“LEE”), an individual, at all relevant
18 times herein, was and is a resident of the Taiwan, who worked with HERBERT and
19 DIANA to operate iHealth’s illegal stream of international commerce between
20 United States and Taiwan and participated in the RICO activities alleged in this
21 Complaint.

22 11. Each Defendant was a separate legal entity. However, at all times
23 relevant hereto, Defendants were the agents, managing agents, supervisors, co-
24 conspirators, and/or joint ventures of the other Defendants, and each of them, and in
25 doing the things alleged herein, were acting at least in part within the course and
26 scope of said agency, conspiracy, alter ego status, and/or joint venture and with the
27 permission and consent of each of the other Defendants.

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1 **GENERAL ALLEGATIONS**

2 12. This action is brought pursuant to the Racketeer Influenced and
3 Corrupt Organizations Act, 18 U.S.C. 1961, *et. seq.*, (“RICO”). It arises out of a
4 scheme perpetrated by Defendants, who have been conducting an illegal operation
5 of a multi-level marketing (“MLM”) business that deceived general public
6 including Plaintiff YANG to invest time and money in a network marketing
7 company named I HEALTH INNOVATION TECH CORP. (“iHealth”), a
8 California corporation, entity number C4246290.

9 13. IHealth was established by Defendants HERBERT and DIANA on
10 February 19, 2019.

11 14. Acting out of a self-professed interest to help others become
12 “entrepreneurs,” the Defendants used a sophisticated scheme to recruit distributors
13 to sell iHealth distributorships and products in the Chinese communities across the
14 United States and Asia by purporting to teach them how to run a legitimate direct-
15 selling business on behalf of iHealth by claiming it is an e-commerce business (the
16 “iHealth Business System”).

17 15. The fraudulent activities conducted by Defendants, as with so many
18 schemes, lured Plaintiff and all others in similar situations to market iHealth health
19 products through (1) false product information; and (2) illegal marketing channels
20 (the “Schemes”).

21 16. Plaintiff and all others in similar situations are the victims, who run
22 their independent distribution businesses for the health products without knowing
23 the illegal and fraudulent nature of the business.

24 17. Defendants accomplished their scheme by falsely advertising the
25 ingredients of the iHealth products and by concealing the facts that the ingredients
26 of the products are synthesized but not natural.

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1 18. The above-discussed statements made by Defendants are deceptive
2 claims and falsely advertised to the public. Defendants willfully violated California
3 False Advertising Law ---Business and Professions Code § 17500.

4 19. Defendants also accomplished their scheme by encouraging Plaintiff
5 and all others in similar situations to conduct business in regions and countries
6 where iHealth has no legal authorization to do business such as Taiwan and China.

7 20. Defendants have operated and promoted their fraudulent schemes
8 throughout the United States through the use of the U.S. mail and interstate wire
9 communications. The scheme generated profits to each of them. The scheme
10 operated for at least three (3) years and still operates. Through their creation and
11 operation of their schemes, Defendants specifically intended to, and did in fact,
12 defraud their distributors — including Plaintiff YANG.

13 21. Plaintiff YANG, was and at all relevant times, is a merchant in the
14 jewelry business. In or about 2005, Plaintiff YANG established her jewelry store
15 "Yangspearl Co." in Temple City, Los Angeles and has been operating the jewelry
16 business for eighteen (18) years.

17 22. On January 12, 2020, by and through a friend, Sophia Wang, YANG
18 became a member of iHealth. At the time YANG joined iHealth, Defendants
19 represented to Plaintiff that iHealth sells its products through a cross-border e-
20 commerce online marketing model, a global network system.

21 23. Soon after Plaintiff became a member of iHealth, Defendants
22 instructed Plaintiff to utilize her good networking system in Taiwan and start a
23 distributorship system for iHealth in Taiwan for the purpose of marketing iHealth
24 products in Taiwan. Defendants further instructed Plaintiff YANG to establish the
25 system with a separate iHealth membership account.

26 24. Unbeknownst to the illegal nature of Defendants' representation,
27 Plaintiff did what Defendants instructed her to do immediately and established a
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1 marketing channel to recruit down-line distributors in Taiwan and to sell iHealth
2 products in Taiwan.

3 25. The distributorship system in Taiwan was quite successful. On
4 September 20, 2020, because of the increasing number of members in her
5 Taiwanese team, which grew from zero (0) to a few dozen, Plaintiff YANG named
6 the team the "Love the Health& Win the World Team" (the "Taiwan Team").

7 26. At the request of a Taiwanese member, Plaintiff traveled to Taiwan to
8 assist in the further development of the Taiwan Team. Plaintiff YANG stayed in
9 Taiwan for more than six (6) months.

10 27. By this time, the Taiwan Team has grown to more than 4,000 members.
11 Thereafter, for the next three (3) years, Plaintiff YANG traveled back and forth
12 between the United States and Taiwan to promote iHealth distributorship and
13 products in Taiwan.

14 28. In or about March 2021, Defendants listed Plaintiff YANG as one of
15 the company's "global market consultants" (the "Consultants").

16 29. However, all of the more than twenty (20) consultants are actually just
17 the leadership representatives of each team and have no substantial "consultant"
18 role, position, power, and rights. The Consultants do not draw any "consultant"
19 salary or fees from iHealth.

20 30. The consultants are only the conduit between Defendants and the
21 distributors who take instructions from Defendants and then relay those instructions
22 to their respective team members.

23 31. On April 1, 2022, a Taiwan Team member, Chen Xinquan, received a
24 summons and complaint from a Taiwanese government agency called "Fair Trading
25 Commission" with criminal allegations and prosecutions.

26 32. The basis for the prosecutions was premised on the facts that (1)
27 iHealth's failure to register its operations with Taiwan Fair Trade Commission; (2)
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1 iHealth's failure to make reports to the "Fair Trade Commission" regarding its
2 MLM operations in Taiwan; and (3) iHealth is in violation of the "Taiwan Multi-
3 Level Marketing Management Act."

4 33. Subsequently, other Taiwan Team members, Chen Xinquan, LEE,
5 ERIC, Tu Yongsheng, and many others, were also summoned by the Taiwan Fair
6 Trade Commission to participate in the investigations of iHealth violations.

7 34. In order to ensure Taiwan Team members would continue to promote
8 iHealth products in Taiwan, Defendants "instructed" Plaintiff YANG to be the
9 scapegoat by taking the criminal responsibility for promoting iHealth in violation of
10 Taiwanese laws.

11 35. Defendants further ensured Plaintiff YANG that all fines will be paid
12 by iHealth's corporate funds and further promised Plaintiff YANG that once she
13 bore the criminal responsibility for the illegal activities, iHealth will immediately
14 register with Taiwanese government to acquire all necessary licenses, and to
15 become a legal direct selling company in Taiwan.

16 36. In light of hoping that she can continue doing her MLM business with
17 iHealth in Taiwan legally, she relied on Defendants' representations and promises.
18 Plaintiff YANG took the blame. As a result, the Taiwanese Fair Trade Commission
19 prosecuted Plaintiff YANG, imposed a fine of NT\$300,000 on her and another
20 NT\$250,000 for other related fees/penalties, for a total of NT\$550,000
21 (approximately equivalent to \$17,000).

22 37. Defendants instructed Plaintiffs to pay for the entire amount in Taiwan
23 and iHealth will reimburse the funds to her.

24 38. Thereafter, on June 2, 2022, Taiwan media outlets such as Liberty
25 Times began to publish iHealth's illegal activities, which included Plaintiff's name
26 and her involvement in the illegal activities.

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1 39. After being fined by the Taiwanese government and illegal activity
2 reports published in the newspapers, Plaintiff then immediately stopped promoting
3 all iHealth products in Taiwan.

4 40. Taiwan Fair Trade Commission also ordered Plaintiff that she must
5 wait until iHealth completed all steps to become a legally operating MLM entity in
6 Taiwan, Plaintiff is refrained from conducting any business related to iHealth.
7 Otherwise, Plaintiff will face further prosecutions and punishments by Taiwanese
8 authorities (the "Order").

9 41. Plaintiff is in full compliance with the Order and has not been doing
10 any business related to iHealth in Taiwan while the Order against her is in effect.

11 42. On June 20, 2022, right after Plaintiff YANG returned to the United
12 States, in several occasions, she requested Defendants to complete all steps to make
13 iHealth become a legally operating MLM entity in Taiwan. However, all requests
14 were ignored by Defendants.

15 43. Plaintiff then realized that Defendants have defrauded her by a well
16 calculated scheme of (1) luring Plaintiff YANG into doing the iHealth illegal
17 activities in Taiwan; (2) letting Plaintiff bear all penalties and punishments imposed
18 by Taiwanese government on behalf of iHealth; (3) using Plaintiff as a scapegoat to
19 allow iHealth to continue to conduct its illegal business in Taiwan; (4) instructing
20 three leading (3) members of "Taiwan Win-Win World Team", Defendant
21 CHIANG, ERIC, and LEE, to force Plaintiff to bear all criminal responsibilities
22 under Taiwan's justice; and (5) letting Plaintiff YANG face all the consequences of
23 the continuance of the illegal business activities conducted by iHealth and its
24 Taiwanese members in Taiwan.

25 44. Because of Defendants' fraudulent schemes, Plaintiff YANG's
26 personal and business reputation has been seriously damaged since June 2, 2022, by
27 the illegal activities orchestrated by Defendants.

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1 45. As a result, Plaintiff’ jewelry store (Yangspearl Co.) lost a great deal of
2 business.

3 46. Moreover, on September 27, 2022, Plaintiff YANG was contacted
4 multiple times by Taiwan Northern District Taxation Bureau. They requested
5 Plaintiff to provide the following information and to respond to these specific
6 requests: (1) provide documentation regarding iHealth’s legal status as a business
7 entity in Taiwan; (2) provide iHealth’s “unified number” to the Taiwanese
8 government authority; and (3) submit the iHealth Taiwan Team membership roster,
9 down-line list and bonus distribution, and income information to the Taiwanese
10 government authority.

11 47. Plaintiff YANG was not able to comply with these requests and could
12 not provide any responses to the Taiwanese government authorities because
13 Defendants never provided her with the necessary information for her to do the
14 mandatory responses.

15 48. On November 12, 2022, Defendants invited Plaintiff YANG to the
16 iHealth headquarters for a brief meeting, just before her upcoming trip to Taiwan to
17 deal with the crisis there. During the meeting, Plaintiff YANG, again, requested
18 Defendants to take the necessary steps to complete the legal registration of iHealth
19 in Taiwan. This time, Defendants made it clear that the logistical operations of
20 iHealthin Taiwan were running smoothly, and therefore, the legalization process
21 was not considered.

22 49. Plaintiff took a hard hit physically and financially by Defendants’
23 decision of continuing its illegal operations in Taiwan because she now faces the
24 dual risks of losing her personal financial gains in the iHealth MLM business and
25 the potential of facing imprisonment in Taiwan.

26 50. On November 11, 2022, as soon as Plaintiff YANG arrived in Taiwan,
27 she was immediately served with a "Criminal Summons and Complaint” from the
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1 Taiwan District Prosecutor's Office. The complaint consists of three (3) criminal
2 counts in total, and the criminal action is still pending.

3 51. Defendants' also conducted the same illegal activities in China.
4 Defendants utilized the same method in Taiwan to deceive members of iHealth in
5 China.

6 52. Defendants also made false representation to iHealth members that
7 iHealth has an annual revenue of \$37,000,000.00, and that Taiwan and China are
8 accounted for 80% of the revenue.

9 53. However, because the illegal nature of the iHealth operations in
10 Taiwan and China, all commissions owed to members in the regions were paid
11 through illegal channels, which constitute money laundering through mail fraud and
12 wire fraud.

13 54. Moreover, because of the illegal nature of the iHealth operations in
14 Taiwan and China, Plaintiff's filing of her income taxes in the United States has
15 become very difficult.

16 55. In order to explore the Chinese market, Defendants instructed their
17 Chinese American distributors to recruit Chinese nationals to become iHealth
18 distributors without obtaining legal authorization from the Chinese and Taiwanese
19 governments.

20 56. Moreover, Defendants consistently promote iHealth recruiting events
21 in Taiwan and China. They made hefty profits in cash from the recruitments and
22 utilized multiple channels to bring their profit back to the United States for them.
23 Their conduct violates foreign laws and constitutes money laundering and tax
24 evasion.

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

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1 58. On July 1, 2023, Plaintiff YANG discovered that Defendants had
2 removed her from all iHealth WeChat groups, including the iHealth consultant
3 group, and revoked her qualification as an iHealth consultant.

4 59. On July 1, 2023, Defendants suddenly shutdown Plaintiff YANG's
5 membership account in the midst of the criminal investigations conducted by the
6 Taiwan Fair Trade Commission and the Court. By doing so, Defendants stripped
7 Plaintiff YANG's iHealth perpetuate commission income of approximately \$15,000
8 per month, and they kept the funds for their own benefit.

9 60. On July 19, 2023, soon after Plaintiff YANG returned to the United
10 States, she discovered that her iHealth membership account was shut down by
11 Defendants.

12 61. On August 1, 2023, Defendants sent a "litigation hold" letter to
13 Plaintiff.

14 62. Defendants' wrongful conducts constitute intentional interference of
15 Plaintiff's contractual relationship with iHealth.

16 63. There is existence of a valid contract between Plaintiff and iHealth, a
17 third party.

18 64. As the president and the high rank officer of iHealth, Defendants
19 HERBERT and DIANA have knowledge of the contract.

20 65. Defendants' intentional acts were designed to disrupt the contractual
21 relationship between Plaintiff and iHealth.

22 66. Defendants' action caused actual disruption of the contractual
23 relationship between Plaintiff and iHealth.

24 67. Defendants' disruption caused damages to Plaintiff resulting damage.

25 68. When Defendants made the representations, they knew them to be
26 false.

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1 69. Defendants also employed a similar scheme to defraud another iHealth
2 member, Jessica Sun (“SUN”). SUN was one of the highest-ranking members of
3 iHealth. At the time SUN was terminated by iHealth for an immaterial violation of
4 the terms of policy and procedure, her monthly commission was approximately
5 \$60,000.00.

6 70. SUN filed a class action lawsuit against HERBERT, DIANA, and
7 iHealth in the Superior Court of California, Central District, Case No.
8 23STCV04408 (the SUN Class Action Lawsuit”).

9 71. In the SUN Class Action Lawsuit, Jessica, as named plaintiff, alleged
10 that “Defendants operate a multilevel marketing health supplement company that
11 targets Chinese immigrants. It is at heart a *Ponzi* scheme in violation of Penal Code
12 section 327, that continues operating only because its “affiliates” (the name given to
13 customers like plaintiff JESSICA SUN) get denied the compensation promised by
14 Defendants who use various methods of trickery, subterfuge, and fraud to avoid
15 payment...”“SUN is one such immigrant victim from China, though she is
16 informed that immigrants from other areas such as Taiwan and Hong Kong have
17 been targeted. During that time Plaintiff JESSICA SUN and many hundreds of
18 people like her were solicited by the Defendants or their agents, or by other people,
19 to pay money to participate in what was represented to be a legitimate multilevel
20 marketing company under the auspices of “I Health” and/or its affiliated and/or
21 related and/or secondary entities, which were all collectively just one big *Ponzi*
22 scheme. All of this was orchestrated by Defendants’ principals, who actively
23 promoted the scheme.”

24 72. As SUN pointed out in her class action, Plaintiff YANG is also a
25 victim of Defendant’s RICO activities and Defendants’ illegal international
26 commercial operations between the Unites and Taiwan.

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1 73. Plaintiff and all others in similar situations fall victim to Defendants’
2 MLM frauds and schemes.

3 74. Indeed, while Defendant HERBERT and DIANA represent to Plaintiff
4 that iHealth products are made with natural ingredients, they are not. Defendant
5 HERBERT concealed the facts that iHealth products are made with “synthetic
6 chemicals” against Plaintiff.

7 75. Defendants accomplished their scheme by falsely advertising the
8 ingredients of the iHealth products and by concealing the facts that the ingredients
9 of the products are synthesized but not natural.

10 76. This misrepresentation posed risks to Plaintiff’s committed business
11 investment in Taiwan relating iHealth because “synthetic chemical” is illegal in
12 supplements in Taiwan.

13 77. In fact, as the president and the high-rank officer of iHealth,
14 Defendants HERBERT and DIANA have knowledge of the true facts that iHealth
15 will never be able to have legal authorities to sell its products in Taiwan because its
16 products contained “synthetic chemical,” an illegal content in supplements in
17 Taiwan. And yet, they still make false pretense to Plaintiffs and based on the false
18 pretense, they took Plaintiffs money.

19 78. Defendants, by engaging in the conduct described in this complaint,
20 fraudulently transferred the funds from Plaintiffs to themselves.

21 79. Defendants are improper recipients because they are not the proper
22 recipients for Plaintiff’s commission funds.

23 80. Defendants, by engaging in the conduct described in this complaint,
24 fraudulently transferred the funds from Plaintiffs to themselves.

25 81. Defendants are improper recipients because they are not the proper
26 recipients for Plaintiff’s commission funds.

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1 82. Defendants' conducts alleged in this Complaint are fraudulent, theft by
2 false pretenses are within the meaning of California Penal Code §496(c) as
3 Plaintiff's down-lines and her commissions were stolen by Defendants.

4 83. Defendants' conducts alleged in this Complaint are fraudulent, theft by
5 false pretenses are within the meaning of California Penal Code §532 as Defendants
6 provided false statements, withheld important information, and made promises they
7 don't intend to keep to Plaintiff in order to obtain property from Plaintiff.
8 Defendants are guilty of theft by false pretense.

9 84. Defendants have engaged in constant and continuous unlawful,
10 fraudulent and unfair business acts or practices, and unfair, deceptive, false and
11 misleading advertising within the meaning of the California Business and
12 Professions Code § 17200, et seq.

13 85. The acts or practices alleged constitute a pattern of behavior, pursued
14 as a wrongful business practice that has victimized and continues to victimize
15 thousands of consumers.

16 86. Defendants willfully violated Unfair Business Practices under Business
17 & Professions Code Sections 17200, et seq.

18 87. Defendants, acted in accord, with unity of interest, employed common
19 strategies and practices that were failing to meet the requirements of the California
20 and Federal laws and in fact were in violation of the laws. Defendants' unlawful
21 business acts are conducted in patterns and are ongoing. Accordingly, injunctive
22 and declaratory relief are appropriate in this action.

23 88. These misrepresentations of fact made to Plaintiff in writing, by
24 telephone, and by WeChat, are additional predicate acts of mail and wire fraud
25 performed by and in furtherance of the schemes. Plaintiff relied on all of these
26 fraudulent representations and omissions to their own detriment and financial injury.

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1 89. As a direct and proximate result of the Defendants’ unlawful
2 fraudulent activity, Plaintiff suffered and continues to suffer damages in an amount
3 to be proven at trial, but of at least \$1,000,000.00.

4 90. The schemes are an ongoing organization consisting of a variety of
5 legal “persons” who associated for common and shared purposes.

6 91. The Defendants coordinated with one another to implement and
7 conceal the schemes. Each Defendant operated, managed and/or participated in the
8 Investment Scheme, and the Enterprise Defendants worked together to execute the
9 fraud. The schemes have functioned as a continuing enterprise since at least 2020.

10 92. Each Defendant agreed to join this conspiracy, and each agreed to
11 commit, facilitate, or participate in a pattern of fraudulent activity in furtherance of
12 the conspiracy.

13 93. Each Defendant agreed to join this conspiracy, and each agreed to do
14 aiding and abetting in a pattern of fraudulent activity in furtherance of the
15 conspiracy.

16 94. During the conspiracy’s existence, each of the Defendants agreed to
17 the commission of an indefinite stream of predicate acts in furtherance of the
18 schemes.

19 95. Defendants agreed to and did commit multiple instances of mail and
20 wire fraud in furtherance of the conspiracy by mailing and wiring fraudulent
21 financial records, seal documents, and other contracts to investors including
22 Plaintiff. The Defendants also devised the scheme, created and sent fake investment
23 details to Plaintiff and other investors, and concealed the schemes from the Plaintiff
24 in written and oral communications through mail, email, internet teleconferencing,
25 WeChat, and telephone.

26 96. At the same time Defendants began their illegal activities including
27 defrauding Plaintiff, Defendants were not acting in good faith while attempting to
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1 lure Plaintiffs to do business with iHealth membership and caused Plaintiff to be
2 criminally prosecuted by the Taiwanese government, to damage her reputation, and
3 financial damages. Defendants committed the acts set forth above with complete
4 utter and reckless disregard of probability of causing Plaintiff YANG to suffer
5 severe emotional distress.

6 97. As an actual and proximate cause of Defendants' illegal activities
7 including the conducts of defrauding Plaintiff YANG. Plaintiff YANG has suffered
8 severe emotional distress because she has been living under the constant emotional
9 nightmare of losing her investment in iHealth membership and facing legal
10 consequences from the criminal prosecution by the Taiwanese government, to lose
11 her reputation, and financial damages.

12 98. As a direct and proximate result of the Defendants' unlawful
13 fraudulent activity, Plaintiff suffered and continues to suffer damages in an amount
14 to be proven at trial, but of at least approximately \$1,000,000.00.

15 99. In the circumstances alleged, it is unfair, unjust, and inequitable to
16 allow the individual and corporate defendants to retain any such proceeds.

17 100. In the interests of fairness, justice, and equity, this Court can and
18 should issue an order and enter judgment: (a) Imposing a constructive trust over all
19 such proceeds; (b) Decreeing that said defendants hold such funds in trust for the
20 benefit of Plaintiff; and (c) Requiring these defendants to disgorge those funds and
21 to restore those funds to Plaintiff.

22 101. Plaintiff also seeks injunctive relief for a judicial injunction including
23 an Order for Defendants to stop their wrongful and illegal acts against Plaintiff.

24 102. Plaintiff seeks for equitable relief, including an Order for Defendants
25 to stop their wrongful and illegal acts against Plaintiff.

26 103. As direct and proximate result of Defendants conduct as described
27 herein, Plaintiff has suffered irreparable harm through the illegal schemes.

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1 104. Plaintiff has a substantial likelihood of success on the merits of her
2 claims.

3 105. In addition, the magnitude of the injury being suffered due to
4 Defendants' unlawful conduct heavily outweighs whatever hardship Defendants
5 could allege or prove from being restrained as requested.

6 106. A temporary restraining order and preliminary injunction will fulfill
7 the purposes of these statutes.

8 107. At this point, Plaintiff has no adequate remedy at law and are suffering
9 immediate, imminent, and irreparable harm. Should Defendants' actions continue
10 unabated, they will continue to harm Plaintiff's ability to conduct her business.

11 108. Further, a substantial risk exists that in the absence of an appropriate
12 order directing Defendants to preserve material evidence; Defendants will destroy
13 or conceal evidence supporting the claims articulated in this Complaint.

14 109. In the event that such evidence is lost, mishandled or destroyed,
15 Plaintiff's ability to establish their claims and damages will be threatened with
16 irreparable harm.

17 110. There is reason to believe that in the absence of an immediate
18 restraining order restraining the destruction or manipulation of material evidence,
19 such items will be destroyed or concealed. Plaintiff also seeks a declaratory
20 judgment as to the respective rights, remedies, and obligations of the parties.

21 111. As the proximate result of the foregoing conduct, Defendants have
22 been unjustly enriched. Plaintiff is entitled to full disgorgement of all profits and the
23 funds obtained by Defendants, and each of them, as a result of their unlawful, unfair,
24 and fraudulent acts as alleged herein.

25 112. As a direct and proximate result of the conduct hereinabove alleged,
26 Plaintiff was harmed by the wrongful conducts in the amount no less than
27 approximately \$1,000,000 plus pre-judgment interest.

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1 113. As a direct and proximate result of the conduct hereinabove alleged,
2 Plaintiff was harmed by the wrongful conducts, and the Defendants' conducts were
3 willful, wanton, malicious, and fraudulent, and made in conscious disregard of
4 Plaintiff's rights, and Plaintiff is thus entitled to an award of punitive and
5 exemplary damages against Defendants.

6 **FIRST CLAIM**

7 **VIOLATION OF 18 U.S.C. §§ 1961 (5), 1962(c)**

8 **(Against All Defendants)**

9 114. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
10 through 113 of this Complaint for all purposes as though fully set forth herein.

11 115. RICO prohibits the following conduct:

12 It shall be unlawful for [1] any person [2] employed by or
13 associated with [3] any enterprise [4] engaged in, or the
14 activities of which affect, interstate or foreign commerce, [5] to
15 conduct or participate, directly or indirectly, in the conduct of
16 such enterprise's affairs [6] through a pattern of racketeering
17 activity or collection of unlawful debt. 18. U.S.C. § 1961-68
18 (numbering added to text of statute)

19 116. A RICO "person" includes any individual or entity capable of holding
20 a legal or beneficial interest in property." 18 U.S.C. § 1961(3). A RICO person can
21 be either an individual or a corporate entity. A defendant can be both a RICO
22 "person" and part of another RICO "enterprise." Plaintiff alleges the following:

- 23 • Each Defendant is a RICO "person."
24 • Each individual Defendant, *i.e.*, each person, combination of
25 persons or combination one or more person and an entity as
26 defined above, is a RICO "person."
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- 1 • The Defendants are an “enterprise,” (*e.g.*, a *de facto* corporation
2 acting as a single legal entity, or, alternatively, an association in
3 fact).

4 117. The allegations contained in paragraphs 1-116 are incorporated here.
5 The Defendants who perpetuated this scheme, described more fully below,
6 constituted an enterprise “association-in-fact” that existed and continues to exist for
7 a common purpose, the perpetuation of a fraudulent scheme on (primarily) Chinese-
8 Americans who want to become distributors for iHealth products, and Chinese-
9 nationals in Asia who likewise wish to do business with iHealth. The scheme
10 commenced as early as 2019 and is ongoing to this day.

11 118. As described more fully below, there was an identifiable hierarchy and
12 framework within the enterprise. The operation and management of the association
13 in fact was generally led, at various times, by Defendants. The scheme was
14 perpetuated through the use of Defendants’ company’s structure as a business entity
15 that provided a vehicle for the implementation of the scheme. The organization and
16 each individual Defendant also used the structure of the Defendants’ MLM
17 marketing distribution system to both defraud Plaintiff and others and benefit
18 themselves.

19 119. As a direct and legal result of Defendants’ willful, malicious and unfair
20 conducts to Plaintiff, she has suffered and continues to suffer damages.

21 120. As a proximate and direct result of Defendants’ aforementioned
22 wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial,
23 but estimated to exceed \$1,000,000.00.

24 121. Defendants’ conducts were committed with the conscious disregard of
25 the rights of Plaintiff, and with the intent to vex, injure or annoy, such as to
26 constitute oppression, fraud or malice entitling Plaintiff to punitive and exemplary
27 damages.

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SECOND CLAIM
FRAUD AND DECEIT
(Against all Defendants)

122. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1 through 121 of this Complaint for all purposes as though fully set forth herein.

123. The fraudulent activities conducted by Defendants, like many schemes, were designed to lure Plaintiff and others in similar situations into marketing iHealth health products through illegal marketing channels (the “Scheme”).

124. Plaintiff and all others in similar situations are the victims, who run their independent distribution businesses for the health products without knowing the illegal and fraudulent nature of the business.

125. Defendants accomplished their scheme by encouraging Plaintiff and others in similar situations to conduct business in regions and countries where iHealth had no legal authorization to do business, such as Taiwan and China.

126. When Defendants made the representations, they knew them to be false.

127. Defendants did know, and had a reason to know or suspect, that the representations were false, and they willfully made representations to Plaintiff.

128. At the time the representations were made, Plaintiff did not know, and had no reason to know or suspect, that the representations were false, and they justifiably relied on the representations.

129. Within the last three years, Plaintiff discovered the falsity and misleading character of the misrepresentations.

130. As a direct and legal result of Defendants’ willful, malicious and unfair conducts to Plaintiff, she has suffered and continues to suffer damages.

1 131. As a proximate and direct result of Defendants' aforementioned
2 wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial,
3 but estimated to exceed \$1,000,000.00.

4 132. Defendants' conducts were committed with the conscious disregard of
5 the rights of Plaintiff, and with the intent to vex, injure or annoy, such as to
6 constitute oppression, fraud or malice entitling Plaintiff to punitive and exemplary
7 damages.

8 **THIRD CLAIM**
9 **FRAUDULENT CONCEALMENT**

10 **(Against All Defendants)**

11 133. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
12 through 132 of this Complaint for all purposes as though fully set forth herein.

13 134. The fraudulent activities conducted by Defendants, as with so many
14 schemes, were designed to lure Plaintiff and others in similar situations to market
15 iHealth health products with false product information.

16 135. Plaintiff and all others in similar situations are the victims, who run
17 their independent distribution businesses for the health products without knowing
18 the illegal and fraudulent nature of the business.

19 136. Defendants accomplished their scheme by falsely advertising the
20 ingredients of the iHealth products and by concealing the facts that the ingredients
21 of the products are synthesized but not natural.

22 137. When Defendants made the representations, they knew them to be
23 false.

24 138. Defendants did know, and had a reason to know or suspect, that the
25 representations were false because they concealed material facts against Plaintiff
26 and they willfully made representations to Plaintiff.

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1 139. At the time the representations were made, Plaintiff did not know, and
2 had no reason to know or suspect, that the representations were false, and they
3 justifiably relied on the representations.

4 140. Within the last three years, Plaintiff discovered the falsity and
5 misleading character of the misrepresentations.

6 141. As a direct and legal result of Defendants' willful, malicious and unfair
7 conducts to Plaintiff, she has suffered and continues to suffer damages.

8 142. As a proximate and direct result of Defendants' aforementioned
9 wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial,
10 but estimated to exceed \$1,000,000.00.

11 143. Defendants' conducts were committed with the conscious disregard of
12 the rights of Plaintiff, and with the intent to vex, injure or annoy, such as to
13 constitute oppression, fraud or malice entitling Plaintiff to punitive and exemplary
14 damages.

15 **FOURTH CLAIM**

16 **NEGLIGENT MISREPRESENTATION – COUNT 1**

17 **(Against All Defendants)**

18 144. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
19 through 143 of this Complaint for all purposes as though fully set forth herein.

20 145. The fraudulent activities conducted by Defendants, as with so many
21 schemes, were designed to lure Plaintiff and all others in similar situations to
22 market iHealth health products through illegal marketing channels (the "Scheme").

23 146. Plaintiff and all others in similar situations are the victims, who run
24 their independent distribution businesses for the health products without knowing
25 the illegal and fraudulent nature of the business.

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1 147. Defendants accomplished their scheme by encouraging Plaintiff and all
2 others in similar situations to conduct business in regions and countries such as
3 Taiwan and China that iHealth has no legal status to do business.

4 148. Regardless of whether Defendants honestly believed that the
5 representations were true, Defendants had no reasonable grounds for believing the
6 representations were true when they made the statements.

7 149. Defendants intended that Plaintiff rely on the representations.

8 150. Plaintiff reasonably relied on Defendants' representations.

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

12 152. Within the last three years, Plaintiff discovered the falsity and
13 misleading character of the misrepresentations.

14 153. As a direct and legal result of Defendants' willful, malicious and unfair
15 conducts to Plaintiff, she has suffered and continues to suffer damages.

16 154. As a proximate and direct result of Defendants' aforementioned
17 wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial,
18 but estimated to exceed \$1,000,000.00.

19 **FIFTH CLAIM**

20 **NEGLIGENT MISREPRESENTATION – COUNT 2**

21 **(Against All Defendants)**

22 155. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
23 through 154 of this Complaint for all purposes as though fully set forth herein.

24 156. The fraudulent activities conducted by Defendants, as with so many
25 schemes, were designed to lure Plaintiff and others in similar situations to market
26 iHealth health products with false product information.

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1 157. Plaintiff and all others in similar situations are the victims, who run
2 their independent distribution businesses for the health products without knowing
3 the illegal and fraudulent nature of the business.

4 158. Defendants accomplished their scheme by falsely advertising the
5 ingredients of the iHealth products and by concealing the facts that the ingredients
6 of the products are synthesized but not natural.

7 159. Regardless of whether Defendants honestly believed that the
8 representations were true, Defendants had no reasonable grounds for believing the
9 representations were true when they made the statements.

10 160. Defendants intended that Plaintiff rely on the representations.

11 161. Plaintiff reasonably relied on Defendants' representations.

12 162. At the time the representations were made, Plaintiff did not know, and
13 had no reason to know or suspect, that the representations were false, and they
14 justifiably relied on the representations.

15 163. Within the last three years, Plaintiff discovered the falsity and
16 misleading character of the misrepresentations.

17 164. As a direct and legal result of Defendants' willful, malicious and unfair
18 conducts to Plaintiff, she has suffered and continues to suffer damages.

19 165. As a proximate and direct result of Defendants' aforementioned
20 wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial,
21 but estimated to exceed \$1,000,000.00.

22 **SIXTH CLAIM**

23 **Violation of California Penal Code §§484 and 532**

24 **(Against All Defendants)**

25 166. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
26 through 165 of this Complaint for all purposes as though fully set forth herein.

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1 167. The fraudulent activities conducted by Defendants, as with so many
2 schemes, were designed to lure Plaintiff and others in similar situations to market
3 iHealth health products with false product information.

4 168. Plaintiff YANG is a victim of Defendant’s RICO activities and
5 Defendants’ illegal international commercial operations between the United States
6 and Taiwan.

7 169. Plaintiff and all others in similar situations fall victim to Defendants’
8 MLM frauds and schemes.

9 170. Indeed, while Defendant HERBERT and DIANA represent to Plaintiff
10 that iHealth products are made with natural ingredients, they are not. Defendant
11 HERBERT concealed the fact that iHealth products are made with “synthetic
12 chemicals” against Plaintiff.

13 171. This misrepresentation brought risks to Plaintiff’s committed business
14 investment in Taiwan related to iHealth because “synthetic chemical” is an illegal
15 content for supplements in Taiwan.

16 172. Defendants accomplished their scheme by falsely advertising the
17 ingredients of the iHealth products and by concealing the facts that the ingredients
18 of the products are not synthesized but not natural.

19 173. In fact, as the president and the high rank officer of iHealth,
20 Defendants HERBERT and DIANA have knowledge of the true facts that iHealth
21 will never be able to have legal authorities to sell its product in Taiwan because its
22 products contained “synthetic chemical,” an illegal content for supplements in
23 Taiwan.

24 174. And yet, they still make false pretense to Plaintiffs and based on the
25 false pretense, they took Plaintiffs money.

26 175. Defendants intended that Plaintiff rely on the representations.

27 176. Plaintiff reasonably relied on Defendants’ representations.
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1 177. At the time the representations were made, Plaintiff did not know, and
2 had no reason to know or suspect, that the representations were false, and they
3 justifiably relied on the representations.

4 178. Within the last three years, Plaintiff discovered the falsity and
5 misleading character of the misrepresentations.

6 179. Defendants, by engaging in the conduct described in this complaint,
7 fraudulently transferred the funds from Plaintiffs to themselves.

8 180. Defendants are improper recipients because they are not the proper
9 recipients for Plaintiff's commission funds.

10 181. Defendants' conducts alleged in this Complaint is fraudulent, theft by
11 false pretenses are within the meaning of California Penal Code §496(c) as
12 Plaintiff's down-lines and her commissions were stolen by Defendants.

13 182. Defendants' conducts alleged in this Complaint are fraudulent, theft by
14 false pretenses and falls within the meaning of California Penal Code §532 as
15 Defendants provided false statements, withheld important information, and made
16 promises they had no intention of fulfilling in order to obtain property from
17 Plaintiff. Defendants are guilty of theft by false pretenses.

18 183. Under California Penal Code §532, anyone who provides false
19 statements, withholds important information, or makes promises they don't intend to
20 keep to another person in order to obtain property is guilty of theft by false
21 pretenses. The crime of theft is defined in section 484 and that section provides as
22 follows: "Every person who shall ... fraudulently appropriate property which has
23 been entrusted to him, or who shall knowingly and designedly, by any false or
24 fraudulent representation or pretense, defraud any other person of money ... or
25 personal property ... is guilty of theft." Grand theft is committed, insofar as
26 applicable to the present case, when the money or personal property taken exceeds
27 \$200 in value. (§ 487, subd. 1.) "Penal Code section 484, subdivision (a) describes
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1 the acts constituting theft to include theft by false pretense, which is the consensual
2 but fraudulent acquisition of property from its owner.” *Bell v. Feibush* (2013) 212
3 Cal.App.4th 1041, 1049 (also upholding civil liability under Penal Code Section
4 496).

5 184. Violation of a criminal statute embodying a public policy is generally
6 actionable even though no specific civil remedy is provided in the criminal statute.
7 (*Michael R. v. Jeffrey B.* (1984) 158 Cal.App.3d 1059, 1067).

8 185. Civil actions lie in favor of crime victims. Violation of a criminal
9 statute embodying a public policy is generally actionable even though no specific
10 civil remedy is provided in the criminal statute. (*Michael R. v. Jeffrey B.* (1984) 158
11 Cal.App.3d 1059, 1067 [205 Cal.Rptr.312]; see also *Laczko v. Jules Meyers,*
12 *Inc.* (1969) 276 Cal.App.2d 293, 295 [80 Cal.Rptr. 798] ; see generally, 5 Witkin,
13 Summary of Cal. Law (9th ed. 1988) Torts, § 9, pp. 65-67.) Any injured member of
14 the public for whose benefit the statute is enacted may bring an action. (*Michael*
15 *R. v. Jeffrey B.*, supra, 158 Cal.App.3d at 1067; *Laczko v. Jules Meyers, Inc.*, supra,
16 276 Cal.App.2d at p. 295.)

17 186. Plaintiff is a victim of Defendants’ criminal acts. As articulated in the
18 opinion of *Michael R. v. Jeffrey B.*, violation of a criminal statute embodying a
19 public policy is generally actionable even though no specific civil remedy is
20 provided in the criminal statute.

21 187. As a proximate and direct result of Defendants’ aforementioned
22 violations of penal code conducts, Plaintiff has been damaged in an amount to be
23 proven at trial, but estimated to exceed \$1,000,000.00.

24 188. The conducts of Defendants, and each of them, as herein described, are
25 the direct and proximate causes of Plaintiff’s damages.

26 189. Plaintiff is informed and believes, and thereon alleges, that Defendant
27 made the misrepresentations with malice, willfulness and the intent to defraud and
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1 deceive Plaintiff, thereby entitling Plaintiff to an award of punitive and exemplary
2 damages, and attorney fees.

3 **SEVENTH CLAIM**

4 **INTENTIONAL INTERFERENCE OF CONTRACTUAL RELATIONS**

5 **(Against All Defendants)**

6 190. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
7 through 189 of this Complaint for all purposes as though fully set forth herein.

8 191. There is existence of a valid contract between Plaintiff and iHealth, a
9 third party.

10 192. As the president and the high rank officer of iHealth, Defendants have
11 knowledge of the contract.

12 193. Defendants' intentional acts designed to disrupt the contractual
13 relationship between Plaintiff and iHealth.

14 194. Defendants' action caused actual disruption of the contractual
15 relationship between Plaintiff and iHealth.

16 195. Defendants' disruption caused damages to Plaintiff resulting damage.

17 196. When Defendants made the representations, they knew them to be
18 false.

19 197. As a direct and legal result of Defendants' willful, malicious and unfair
20 conducts to Plaintiff, she has suffered and continues to suffer damages.

21 198. As a proximate and direct result of Defendants' aforementioned
22 wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial,
23 but estimated to exceed \$1,000,000.00.

24 199. Defendants' conducts were committed with the conscious disregard of
25 the rights of Plaintiff, and with the intent to vex, injure or annoy, such as to
26 constitute oppression, fraud or malice entitling Plaintiff to punitive and exemplary
27 damages.

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EIGHTH CLAIM

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

(Against All Defendants)

200. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1 through 199 of this Complaint for all purposes as though fully set forth herein.

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

202. In order to explore Chinese market, Defendants asked their Chinese American distributors to recruit Chinese nationals to become iHealth distributors without legal authorization from Chinese and Taiwanese government.

203. Moreover, Defendants consistently promote iHealth recruiting events in Taiwan and China. They made hefty profits in cash from the recruitments and utilized multiple channels to bring their profit back to the United States for them. Their conduct violates foreign laws and constitutes money laundering and tax evasion.

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

205. As a direct and legal result of Defendants' willful, malicious and unfair conducts to Plaintiff, she has suffered and continues to suffer damages.

206. As a proximate and direct result of Defendants' aforementioned wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial, but estimated to exceed \$1,000,000.00.

207. Defendants' conducts were committed with the conscious disregard of the rights of Plaintiff, and with the intent to vex, injure or annoy, such as to constitute oppression, fraud or malice entitling Plaintiff to punitive and exemplary damages.

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NINTH CLAIM

**Violation of California False Advertising Law - Business and Professions
Code § 17500
(Against All Defendants)**

208. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1 through 207 of this Complaint for all purposes as though fully set forth herein.

209. As discussed above, Defendants accomplished their scheme by falsely advertising the ingredients of the iHealth products and by concealing the facts that the ingredients of the products are not synthesized but not natural.

210. The above-discussed statements made by Defendants are deceptive claims and falsely advertised to the public.

211. Defendants willfully violated California False Advertising Law --- Business and Professions Code § 17500.

212. As a direct and legal result of Defendants' willful, malicious and unfair conducts to Plaintiff, she has suffered and continues to suffer damages.

213. As a proximate and direct result of Defendants' aforementioned wrongful conduct, Plaintiff has been damaged in an amount to be proven at trial, but estimated to exceed \$1,000,000.00.

214. Defendants' conducts were committed with the conscious disregard of the rights of Plaintiff, and with the intent to vex, injure or annoy, such as to constitute oppression, fraud or malice entitling Plaintiff to punitive and exemplary damages.

TENTH CLAIM

**Violation of California Business & Professions Code §§ 17200 et seq.
(Against All Defendants)**

215. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1 through 214 of this Complaint for all purposes as though fully set forth herein.

1 216. Defendants have engaged in constant and continuous unlawful,
2 fraudulent and unfair business acts or practices, and unfair, deceptive, false and
3 misleading advertising within the meaning of the California Business and
4 Professions Code § 17200, et seq.

5 217. The acts or practices alleged constitute a pattern of behavior, pursued
6 as a wrongful business practice that has victimized and continues to victimize
7 thousands of consumers.

8 218. Defendants willfully violated Unfair Business Practices under Business
9 & Professions Code Sections 17200, et seq.

10 219. Acting in concert with one another, Defendants aided, abetted and
11 conspired with each other in concealing information from Plaintiff.

12 220. Defendants' illegal scheme constitutes unfair competition and unlawful,
13 unfair, and fraudulent business acts and practices in violation of California Business
14 and Professions Code Sections 17200, et seq.

15 221. California Business and Professions Code Section 17200, et seq.
16 prohibits businesses from engaging in “any unlawful, unfair or fraudulent business
17 act or practice and unfair, deceptive, untrue or misleading advertising,” and was
18 designed to protect competitors and consumers from illegal, fraudulent and “unfair”
19 business practices.

20 222. Defendants, and each of them, have engaged in fraudulent, unfair and
21 deceptive business behavior and knowingly misrepresented material information.

22 223. As described above, Defendants have violated the following California
23 laws and Federal laws: (a) California’s endless Chain Scheme Law (California’s
24 Penal Code § 327 and California Civil Code § 1689.2); (2) False Advertising Law
25 (Business and Professions Code § 17500); (3) Foreign Corrupt Practices Act of
26 1977 (FCPA) 15 U.S.C. § 78dd-1, et seq., and (4) Racketeer Influenced and Corrupt
27 Organizations Act, 18 U.S.C. § 1961 et seq.

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1 224. California’s endless Chain Scheme Law (California’s Penal Code §
2 327 and California Civil Code § 1689.2), California’s Unfair Competition Law
3 (Business and Professions Code § 17200 et seq. “UCL”), false and misleading
4 income claims, False Advertising Law (Business and Professions Code § 17500),
5 and Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 et seq.
6 against all defendants for the operation and promotion of an inherently fraudulent
7 endless chain scheme.

8 225. Defendants’ activities also constitute unfair business practices in
9 violation of California Business & Professions Code Sections 17200 et seq.,
10 because Defendants’ practices violate the above noted laws, and/or violate an
11 established public policy and/or the practice is immoral, unethical, oppressive,
12 unscrupulous and substantially injurious to Plaintiffs and the public.

13 226. Defendants, through at least the past four (4) years, have conducted a
14 pattern of Unfair Business Practice under Business & Professions Code Sections
15 17200, et seq.

16 227. UCL defines unfair competition to include any unlawful, unfair, or
17 fraudulent business act or practice. The UCL authorizes this Court to issue
18 whatever orders or judgments may be necessary to prevent unfair or unlawful
19 practices, or to “restore to any person in interest any money or property, real or
20 personal, which may have been acquired by means of such unfair competition.” Id.
21 § 17203.

22 228. UCL prohibits businesses from engaging in “any unlawful, unfair or
23 fraudulent business act or practice and unfair, deceptive, untrue or misleading
24 advertising,” and was designed to protect competitors and consumers from illegal,
25 fraudulent and “unfair” business practices.

26 229. As a result of their unlawful acts, Defendants have reaped and continue
27 to reap unfair benefits and unlawful profits at the expense of Plaintiff.
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1 230. As a direct and legal result of Defendants' illegal and unfair conducts
2 to Plaintiff and general public, she has suffered and continues to suffer damages.

3 231. Defendants are unjustly enriched. Plaintiff seeks disgorgement of
4 profits from the unfair and unlawful business practices of Defendants and restitution
5 of all monies and benefits which were unlawfully withheld, and for such orders or
6 judgments, including the appointment of a receiver, as may be necessary to restore
7 to Plaintiff any money or property which may have been acquired by means of
8 unlawful or unfair business acts and practices.

9 **ELEVENTH CLAIM**
10 **CIVIL CONSPIRACY**
11 **(Against All Defendants)**

12 232. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
13 through 231 of this Complaint for all purposes as though fully set forth herein.

14 233. Plaintiff alleges that each and all of the acts herein alleged as to each
15 Defendant was authorized and directed by the remaining defendants, who ratified,
16 adopted, condoned and approved said acts with full knowledge of the consequences
17 thereof, and memorialized the authority of the agent in a writing subscribed by the
18 principal.

19 234. Each of the Defendants herein agreed among each other to commit the
20 unlawful acts (or acts by unlawful means) described in this Complaint.

21 235. The desired effect of the conspiracy was to defraud and otherwise
22 deprive Plaintiff of her constitutionally protected rights to property and of their
23 rights under other laws as set forth herein.

24 236. Each of the defendants herein committed an act in furtherance of the
25 agreement. Injury was caused to the Plaintiff by the defendants as a consequence.

26 237. Acted in concert with each other, aided, abetted and conspired with
27 Defendants in making the concealment against Plaintiff.

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1 244. The conduct of Defendants, and each of them, as herein described, was
2 so vile, base, contemptible, miserable, wretched, and loathsome that it would be
3 looked down upon and despised by ordinary people. Plaintiff is entitled to punitive
4 damages in an amount appropriate to punish Defendants and deter other from
5 engaging in similar conduct. Defendants’ wrongful acts caused Plaintiffs non-
6 economic damages in an amount exceeding \$250,000.00.

7 **THIRTEENTH CLAIM**

8 **NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS**

9 **(Against All Defendants)**

10 245. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
11 through 244 of this Complaint for all purposes as though fully set forth herein.

12 246. At the same time Defendants began their illegal activities including the
13 conducts of defrauding Plaintiff, Defendants were not acting in good faith while
14 attempting to lure Plaintiffs to do business with iHealth membership and caused
15 Plaintiff to be criminally prosecuted by the Taiwanese government, to lose her
16 reputations, and financial damages. Defendants committed the acts set for above
17 with complete utter and reckless disregard of probability of causing Plaintiff YANG
18 to suffer severe emotional distress.

19 247. As an actual and proximate cause of Defendants’ illegal activities
20 including the conducts of defrauding Plaintiff YANG. Plaintiff YANG has suffered
21 severe emotional distress because she has been living under the constant emotional
22 nightmare if losing her investment in iHealth membership and facing legal
23 consequences from the criminally prosecuted by the Taiwanese government, to lose
24 her reputation, and financial damages.

25 248. The conduct of Defendants, and each of them, as herein described, was
26 so vile, base, contemptible, miserable, wretched, and loathsome that it would be
27 looked down upon and despised by ordinary people. Defendants’ wrongful acts if
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1 they were not done intentionally, they were done in neglect. The wrongful acts
2 caused Plaintiffs non-economic damages in the amount exceeds \$250,000.00.

3 **FOURTEENTH CLAIM**

4 **TEMPORARY AND PERMANENT INJUNCTIVE RELIEF**

5 **(Against All Defendants)**

6 249. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
7 through 248 of this Complaint for all purposes as though fully set forth herein.

8 250. Plaintiff seeks injunctive relief for a judicial injunction including an
9 Order for Defendants to stop their wrongful and illegal acts against Plaintiff.

10 251. Plaintiff seeks for equitable relief, including an Order for Defendants
11 to stop their wrongful and illegal acts against Plaintiff.

12 252. As direct and proximate result of Defendants conduct as described
13 herein, Plaintiff has suffered irreparable harm through the illegal schemes.

14 253. Plaintiff has a substantial likelihood of success on the merits of her
15 claims.

16 254. In addition, the magnitude of the injury being suffered due to
17 Defendants' unlawful conduct heavily outweighs whatever hardship Defendants
18 could allege or prove from being restrained as requested.

19 255. A temporary restraining order and preliminary injunction will fulfill
20 the purposes of these statutes.

21 256. At this point, Plaintiff has no adequate remedy at law and are suffering
22 immediate, imminent, and irreparable harm. Should Defendants' actions continue
23 unabated, they will continue to harm Plaintiff's ability to conduct her business.

24 257. Further, a substantial risk exists that in the absence of an appropriate
25 order directing Defendants to preserve material evidence; Defendants will destroy
26 or conceal evidence supporting the claims articulated in this Complaint.

27 258. In the event that such evidence is lost, mishandled or destroyed,
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1 Plaintiff's ability to establish their claims and damages will be threatened with
2 irreparable harm.

3 259. There is reason to believe that in the absence of an immediate
4 restraining order restraining the destruction or manipulation of material evidence,
5 such items will be destroyed or concealed.

6 260. Moreover, the granting of the injunctive relief requested herein will not
7 adversely affect any public policy or public interest but will instead promote same.

8 261. Plaintiff as not provided advance notice to Defendants of this action or
9 the relief sought herein on the grounds that to do so would accelerate the risk of
10 destruction of evidence which Plaintiff is seeking to prevent.

11 262. Unless Defendants are restrained from continuing these unlawful,
12 unfair, and fraudulent business acts or practices, Plaintiff will suffer irreparable
13 injury.

14 **FIFTEENTH CLAIM**
15 **DECLARATORY RELIEF**
16 **(Against All Defendants)**

17 263. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
18 through 262 of this Complaint for all purposes as though fully set forth herein.

19 264. 28 U.S.C § 2201 provides that "any court of the United States, upon
20 the filing of the appropriate pleading, may declare the rights and other legal
21 relations of any interested party seeking such declaration, whether or not further
22 relief is or could be sought. Declaratory relief is not intended to redress past wrongs,
23 its purpose is to resolve uncertainties or disputes that may result in future litigation.

24 265. An actual controversy has arisen between Plaintiff and Defendants on
25 the other, as to their respective rights, remedies and obligations with regard to
26 Defendants' unlawful conduct, as alleged herein.

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1 266. Accordingly, injunctive and declaratory relief is appropriate. Plaintiff
2 therefore seeks a declaratory judgment as to the respective rights, remedies, and
3 obligations of the parties.

4 **SIXTEENTH CLAIM**
5 **UNJUST ENRICHMENT**
6 **(Against All Defendants)**

7 267. Plaintiff repeats, re-alleges, and incorporates by reference paragraphs 1
8 through 266 of this Complaint for all purposes as though fully set forth herein.

9 268. As a result of their unlawful acts, Defendants have reaped and continue
10 to reap unfair benefits and unlawful profits at the expense of Plaintiff.

11 269. As a direct and legal result of Defendants' illegal and unfair conducts
12 to Plaintiff and general public, she has suffered and continues to suffer damages.

13 270. Defendants are unjustly enriched.

14 271. As a direct and proximate result of the foregoing conduct, Defendants
15 have been unjustly enriched. Plaintiff is entitled to full disgorgement of all profits
16 obtained by Defendants as a result of their unlawful, unfair, and fraudulent acts as
17 alleged herein.

18 **PRAYER**

19 **WHEREFORE**, Plaintiff JENNIFER YANG also known as MEI HWA
20 YANG prays for judgment against Defendants in her favor and that she be given the
21 following relief:

- 22 1. For actual and compensatory damages of \$1,250,000.00;
23 2. For punitive and exemplary damages;
24 3. To recover treble damages and civil penalties under the RICO Act (8
25 U.S.C. " 1964(c)), and to recover damages and other monetary relief under the
26 common law theories of unjust enrichment;

1 4. To recover to recover damages and other monetary relief under the Unfair
2 Business Practices (Business & Professions Code Sections 17200, et seq.;

3 5. For an order preliminarily and permanently restraining Defendants from
4 engaging in the aforementioned violations enjoining Defendants from further unfair,
5 unlawful, fraudulent and/or deceptive acts;

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

12 7. For an award of attorneys' fees, expenses, expert fees and costs incurred by
13 plaintiffs in vindicating their rights including fees;

14 8. For appropriate and equitable relief; and

15 9. For all such other and further relief that the Court may deem just and
16 proper.

17 Dated: September 15, 2023

LAW OFFICE OF MARY LIU

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21 HUI LIU, ESQ., ATTORNEY FOR
22 PLAINTIFF JENNIFER YANG ALSO
23 KNOWN AS MEI HWA YANG
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JURY TRIAL DEMANDED

Plaintiff JENNIFER YANG also known as MEI HWA YANG hereby demands a jury trial on all causes of action and claims with respect to which they have a right to jury trial.

Dated: September 15, 2023

LAW OFFICE OF MARY LIU



HUI LIU, ESQ., ATTORNEY FOR
PLAINTIFF JENNIFER YANG ALSO
KNOWN AS MEI HWA YANG