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PEOPLE OF THE STATE OF CALIFORNIA

[NO FEE - Govt. Code § 6103]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

v.

WELLNESS MATRIX GROUP, INC., a Nevada corporation, d/b/a CORONA STOP 28, STOP CORONA 28, CS-28, and VIRASTOP28; GEORGE A. TODT, an individual; BARRY MIGLIORINI, an individual; and DOES 1 through 20, inclusive,

Defendants.

Case No. 20STCV19955

COMPLAINT FOR PERMANENT INJUNCTION, CIVIL PENALTIES, RESTITUTION, AND OTHER EQUITABLE RELIEF

[VERIFIED ANSWER REQUIRED PURSUANT TO CODE OF CIVIL PROCEDURE SECTION 446]

The People of the State of California (the "People" or "Plaintiff"), by and through their attorney, Michael N. Feuer, City Attorney for the City of Los Angeles, bring this civil law enforcement action against the following Defendants: (1) Wellness Matrix Group, Inc. ("WMGR"), doing business as, and also known as, CoronaStop28.com, StopCorona28.com, CS-28.com, and ViraStop28.com; (2) George A. Todt ("Todt"); and (3) Barry Migliorini ("Migliorini" and collectively with WMGR and Todt, "Defendants"). Plaintiff alleges the following on information and belief:

INTRODUCTION

1. Over the past three months, while Los Angeles and the rest of the country made significant sacrifices and took difficult steps to respond to and slow the spread of COVID-19,[1] Defendants built and profited from multiple business scams, including the sale of fraudulent "at-home" COVID-19 tests and COVID-19 "disinfectants," designed to take advantage of, and profit from, the fear, anxiety, and misinformation arising from the global pandemic. This is a civil law enforcement action to halt, penalize, and obtain restitution for consumers from Defendants' for their unfair, fraudulent, unlawful, and dangerous business practices.

2. Defendants' fraudulent scheme is sophisticated and wide ranging: it involves complex coordination between multiple companies, websites, distribution channels, and the actions of many individuals. This is not a mere misguided attempt to bring useful products to consumers during this pandemic. Defendants have acted in a manner that puts the health and lives of Californians at risk in order to cash in from the sale of fraudulent products during a public health crisis.

[1] On March 4, 2020, the City of Los Angeles, the County of Los Angeles, and the State of California all declared a public health emergency related to SARS-CoV-2, the novel coronavirus which causes COVID-19, to help protect public health from this serious pandemic. On March 11, 2020, the World Health Organization recognized the spread of COVID-19 as a global pandemic. Symptoms of COVID-19 can include high fever, sharp cough, and shortness of breath or breathing difficulty. In some cases, COVID-19 quickly progresses to pneumonia, Acute Respiratory Distress Syndrome (ARDS), kidney failure, and other serious life-threatening complications. To date, the COVID-19 pandemic has been particularly dangerous—even deadly—for the elderly and those with other pre-existing conditions, although all age groups have been impacted.

3. In late February, consumer demand for COVID-19 diagnostic tests and for household and industrial cleaning products that could disinfect surfaces and fabrics began to increase. In response, Defendants' advertised, sold or attempted to sell through multiple commercial channels "at-home" serology test kits for the SARS-CoV-2 coronavirus and a suite of purported anti-COVID-19 "disinfectants" under the "CoronaStop28" and related brand names, in sizes ranging from 2-oz. bottles for personal use to 55-gallon drums for large-scale disinfection operations.

4. To sell these products, Defendants made a number of false claims and representations designed to communicate to consumers that the products were approved and endorsed by the Food and Drug Administration ("FDA"), the Environmental Protection Agency ("EPA"), and leading scientific experts. Defendants did not stop at just making false statements; they attached irrelevant or false government registration numbers to their products and fabricated phony scientific studies and white papers purporting to substantiate their value.

5. Defendants advertised that their "at-home" COVID-19 test kits were approved by the FDA, the federal agency that regulates the sale of medical devices, such as medical test kits. Under the law, a manufacturer's at-home test kit cannot lawfully be sold in California or anywhere else in the United States unless it has FDA approval. Contrary to Defendants' false claims and advertising, the FDA never approved Defendants' "at-home" test kit. To date, the FDA has approved no "at-home" serology test kits. But Defendants continued to make these false claims in order to sell "at-home" test kits in California, including in the City of Los Angeles.

6. Defendants have engaged in similar fraudulent practices in order to sell their COVID-19 disinfectants. Like medical tests and devices, the sale of disinfectants is regulated by the state and federal government. The EPA and the California Department of Pesticide Registration ("CDPR") regulate the sale of disinfectant products classified as pesticides, including those designed to mitigate the spread of SARS-CoV-2. Unless a disinfectant product is registered on the EPA's "List N: Disinfectants for Use Against SARS-CoV-2" ("List N") and separately registered with the CDPR, it cannot be sold in California. None of the disinfectant

products marketed and sold by Defendants appear on List N, nor are they registered with CDPR. Worse, the "EPA registration numbers" Defendants associate with their CoronaStop28 products are fraudulent.

7. Defendants have made numerous additional false claims to tout their unapproved and unregistered products. They have falsely claimed that their disinfectants are "EPA-approved." Defendants falsely claim their CoronaStop28 products can be applied to human skin, and falsely claim that their disinfectants are non-toxic and "environmentally friendly."

8. Defendants also include in their advertisements and marketing materials a purported "scientific" research paper, ostensibly authored by a distinguished researcher and professor of medicine, which states that the CoronaStop28 products continue to "kill virus" for up to 28 days after application, among many other false and misleading claims regarding the effectiveness of their disinfectants. The purported authors did not write the paper and have never performed any testing on CoronaStop28 or related products. The paper is a pure work of fiction; Defendants made up the study and simply stole the researchers' names and credentials to fraudulently bolster their product.

9. Defendants' shocking deceptive conduct is far from harmless. A consumer scam like this compounds the dangers and damage of the COVID-19 pandemic by spreading misinformation and creating confusion.

10. Whenever consumers are motivated even in part by fear and anxiety, they are particularly vulnerable to deceptive practices and to those who would prey on those fears to persuade the consumers to seek protections, such as Defendants' falsely advertised and fraudulent tests and disinfectant products.

11. The consequences and damage caused by Defendants' fraudulent enterprise extends far beyond financial harm to consumers duped by Defendants' false advertisements. An asymptomatic COVID-19 carrier could decide to visit his elderly parents after falsely testing negative on Defendants' unapproved "at-home" test kit and unknowingly transmit the virus. A well-meaning small business owner could neglect to clean infected surfaces in her store because she is relying on Defendants' false representation that the CoronaStop28 products keep killing

the virus for four weeks after application. Defendants' unlawful business practices are more than a scam: they are a threat to public health.

12. In this emergency, consumers require—and under California law are entitled to—accurate, reliable, and truthful information about COVID-19, including on testing, treatments, disinfecting products, and cures. The health, and even the lives, of California consumers depend on it. In this law enforcement action, the People seek an order permanently enjoining Defendants from engaging in false advertising and other unlawful, unfair, and fraudulent practices, and request restitution to California consumers as appropriate, civil penalties, and all other relief available under California law.

PARTIES

13. Plaintiff, the People of the State of California (the "People" or "Plaintiff"), is the sovereign power of the State of California (Gov. Code § 100), authorized to enforce Business and Professions Code section 17200 et seq. ("Unfair Competition Law" or "UCL") and Business and Professions Code section 17500 et seq. ("False Advertising Law" or "FAL") in civil law enforcement actions. The People have an interest in ensuring that the individuals and entities doing business in this state comply with all applicable laws. The People act here by and through Michael N. Feuer, Los Angeles City Attorney, under the authority granted to them by Business and Professions Code sections 17204, 17206, 17508, 17535, and 17536.

14. Defendant Wellness Matrix Group, Inc. ("WMGR") is a Nevada corporation, headquartered and with its principal place of business in Huntington Beach, California. Incorporated in 2009, defendant WMGR represents that it is a "next generation health and wellness platform" that provides "personalized biometric data analytics." On February 24, 2020, WMGR filed a Form 10 with the intent of registering its common stock with the Securities and Exchange Commission ("SEC"). WMGR, and/or its agents, representatives, and/or co-conspirators occasionally do business as CoronaStop, CoronaStopper, CoronaStoppers, CoronaStop 28, CS-28, StopCorona 28, and other related names. WMGR also markets and sells an "at-home" COVID-19 test and coronavirus-related disinfectant products through multiple distribution channels. At all relevant times, WMGR has transacted business in California,

including in Los Angeles City and County.

15. Defendant George A. Todt ("Todt") is an individual and a resident of Marina Del Rey, California. At all relevant times, Todt has transacted business in California, including in Los Angeles City and County. Todt is the Director of Business Affairs for WMGR and an owner of WMGR through his ownership stake in and role as a Manager of Chanzong Huayan, LLC, an entity that owns 300 million shares of WMGR common stock, which constitutes 82.75% of WMGR common stock. Defendant Todt is also the brother of WMGR's Chief Financial Officer David Todt. Todt has admitted to doing "business development" for WMGR. At all times relevant to this Complaint, Todt was acting as an agent of WMGR, including but not limited to directly making misrepresentations on Defendants' behalf to residents of Los Angeles on a Los Angeles-based radio program regarding Defendants' fraudulent test kits and disinfectant products.

16. Defendant Barry Migliorini ("Migliorini") is an individual and resident of Fountain Valley, California. At all relevant times, Migliorini has transacted business in California, including in Los Angeles City and County. Migliorini is WMGR's CEO and is a director of the company with effective voting control on a fully diluted basis. At all times relevant to this Complaint, Migliorini was acting as an agent of WMGR.

17. Defendants sued herein as Does 1 through 20, inclusive, are presently unknown to the People, who therefore sue these unknown Defendants by such fictitious names. When the true names and capacities of any unknown Defendants have been ascertained, the People will ask leave of the Court to amend this Complaint and to insert in lieu of such fictitious names the true names and capacities of any fictitiously named Defendants. The People are informed and believe that Does 1 through 20 participated in, and are responsible for, the wrongful conduct alleged in this Complaint.

18. Each Defendant is a "person" within the meaning of Business and Professions Code sections 17506 and 17201.

19. Whenever this Complaint refers to "Defendants," it includes any and all Defendants named in paragraphs 14 through 17 of this Complaint.

20. At all relevant times, some or all Defendants acted as the agent of the others, and all Defendants acted within the scope of their agency if acting as an agent of another.

21. At all relevant times, Defendants together comprised an "organization of persons" within the meaning of Business and Professions Code section 17201, in that they associated together for the common purpose of engaging in a course of unlawful, unfair, and fraudulent business acts and practices as alleged herein.

22. At all relevant times, each Defendant acted individually and jointly with every other Defendant in committing the acts alleged to have been committed by "Defendants" in this Complaint.

23. At all relevant times, each Defendant acted: (a) as a principal; (b) under express or implied agency; and/or (c) with actual or ostensible authority to perform the acts alleged in this Complaint on behalf of every other Defendant.

24. At all relevant times, each Defendant knew or realized, or should have known or realized, that the other Defendants were engaging in or planned to engage in the violations of law alleged in this Complaint. Knowing or realizing that the other Defendants were engaging in such unlawful conduct, each Defendant nevertheless facilitated the commission of those unlawful acts. Each Defendant intended to and did encourage, facilitate, or assist in the commission of the unlawful acts, and thereby aided and abetted the other Defendants in the unlawful conduct.

25. Defendants have engaged in a conspiracy, common enterprise, and common course of conduct, the purpose of which was and is to engage in the violations of law alleged in this Complaint. The conspiracy, common enterprise, and common course of conduct continue to the present.

JURISDICTION AND VENUE

26. This Court has subject matter jurisdiction over this matter pursuant to Business and Professions Code sections 17203, 17204, 17206, 17500, 17508, 17535, and 17536.

27. This Court has personal jurisdiction over each of the Defendants pursuant to California Constitution, Article VI, section 10, and California Code of Civil Procedure section

410.10 in that each Defendant that is a corporation that advertises to and does substantial business in California; Defendant Todt is an individual who resides in California and who has publicly touted Defendants' test kits and disinfectants through a radio program in Los Angeles; Defendant Migliorini is an individual who resides in California and who has done substantial business in California and Los Angeles; Defendants have purposely availed themselves of the benefits of doing business in this state and in Los Angeles City and County; and Defendants' violations of law alleged herein occurred, in whole or in part, in this state.

28. The violations of law alleged in this Complaint occurred in Los Angeles City and County and throughout the State of California. Venue for this matter properly lies within Los Angeles County because the violations of law alleged in this Complaint occurred, in whole or in part, in Los Angeles County.

STATUTORY BACKGROUND

I. THE UNFAIR COMPETITION LAW

29. Business and Professions Code section 17200 provides that "unfair competition shall mean and include unlawful, unfair or fraudulent business practice."

30. Business and Professions Code section 17203 provides that "(a)ny person performing or proposing to perform an act of unfair competition within this state may be enjoined in any court of competent jurisdiction." Section 17203 also permits recovery of any "interest in money or property, real or personal" acquired by a violation of the Unfair Competition Law.

31. Business and Professions Code section 17206, subdivision (a), provides that any person violating section 17200 "shall be liable for a civil penalty not to exceed two thousand five hundred dollars ($2,500) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California . . . by any city attorney of a city having a population in excess of 750,000."

32. Under Business and Professions Code section 17205, these remedies and penalties are "cumulative to each other and to the remedies or penalties available under all other laws of this state."

II. THE FALSE ADVERTISING LAW

33. Business and Professions Code section 17500 provides that it is unlawful for any person "with the intent directly or indirectly to dispose of real or personal property . . . to make or disseminate or cause to be made . . . any statement, concerning that real or personal property . . . which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading."

34. Business and Professions Code section 17535 authorizes "any city attorney" to seek an injunction to prevent such untrue or misleading statements, and to provide restitution for victims of such statements.

35. Business and Professions Code section 17536 provides that any person violating section 17500 "shall be liable for a civil penalty not to exceed two thousand five hundred dollars ($2,500) for each violation, which shall be assessed and recovered in a civil action brought in the name of the people of the State of California . . . by any . . . city attorney." These civil penalties are cumulative to those obtained under Section 17200.

III. THE SHERMAN FOOD, DRUG, AND COSMETIC LAW

36. Health and Safety Code section 109875 et seq. (the "Sherman Food, Drug, and Cosmetic Law" or "Sherman Law") regulates the advertising, manufacture, and sale of drugs and medical devices in California (including incorporation of relevant federal standards).

37. Health and Safety Code section 109920 defines "device" as "any instrument, apparatus, implement, machine, contrivance, implant, in vitro reagent, or other similar or related article, including any component, part, or accessory, that is . . . (b) [i]ntended for use in the diagnosis of disease or other condition, or in the cure, mitigation, treatment, or prevention of disease in humans or any other animal."

38. Health and Safety Code section 109925 defines "drug" as, inter alia, "an article used or intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in human beings or any other animal" or "an article other than food, that is used or intended to affect the structure or any function of the body of human beings or any other animal."

39. Health and Safety Code section 109948.1 defines "home medical device," in

relevant part, as "a device intended for use in a home care setting including, but not limited to... (4) Respiratory disease management devices . . . (11) [d]isposable medical supplies [and] (12) In vitro diagnostic tests." (Health & Saf. Code § 109948.1 (b).)

40. Under California law, "[a]ny drug or device is misbranded if its labeling is false or misleading in any particular." (Health & Saf. Code § 111330.) It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any drug or device that is misbranded (Health & Saf. Code § 111440), or to "sell, deliver, or give away any new drug or device" out of compliance with federal or state regulations governing the approval of new drug and device applications. (Health & Saf. Code § 111550.)

41. "It is unlawful for any person to disseminate any false advertisement of any . . . drug, [or] device . . . An advertisement is false if it is false or misleading in any particular." (Health & Saf. Code § 110390.)

42. It is unlawful for any person to manufacture, sell, deliver, hold, or offer for sale any drug or device that is falsely advertised. (Health & Saf. Code § 110395.)

43. It is unlawful for any person to advertise any drug or device that is misbranded. (Health & Saf. Code § 110398.)

IV. THE FEDERAL INSECTICIDE, FUNGICIDE AND RODENTICIDE ACT

44. The Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA") governs the registration, distribution, sale and use of pesticides, which includes disinfectants, in the United States. (7 U.S.C. § 136 et seq.)

45. "Pesticides" are defined under FIFRA as "any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest." (7 U.S.C. § 136(u).) The definition of "pests" includes "any . . . virus," except for viruses that are on or inside human beings or animals. (7 U.S.C. § 136(t).)

46. FIFRA prohibits the sale or distribution of pesticides that are unregistered, misbranded (e.g., their labeling lacks required elements such as warnings, directions for use, an ingredient statement, or includes false or misleading claims, etc.), and the sale or distribution of registered pesticides with claims that substantially differ from those allowed under the terms of

their registration. (7 U.S.C. §§ 136a(a), 136j.)

47. FIFRA also prohibits the sale of misbranded pesticide devices. (7 U.S.C. § 136j.) A pesticide is misbranded, among other things, if "its labeling bears any statement, design, or graphic representation relative thereto or to its ingredients which is false or misleading in any particular" or "it is an imitation of, or is offered for sale under the name of, another pesticide." (7 U.S.C. § 136(q).)

48. The EPA interprets these prohibitions "as extending to advertisements in any advertising medium to which pesticide users or the general public have access." (40 C.F.R. § 168.22.)

V. THE CALIFORNIA FOOD AND AGRICULTURAL CODE—PESTICIDE REGULATIONS

49. The California Food and Agricultural Code governs the registration, distribution, sale and use of pesticides, which includes disinfectants, in California. (Food & Agr. Code § 12751, et seq.)

50. "Pesticides" are defined in the Food and Agricultural Code as including "(a) any spray adjuvant" and "(b) any substance, or mixture of substances which is intended to be used. . . for preventing, destroying, repelling, or mitigating any pest, as defined in Section 12754.5." (Food & Agr. Code § 12753 (a)-(b).) The definition of "pests" includes "[a]ny form of . . . virus, fungus, bacteria, or other microorganism (except viruses, fungi, bacteria, or other microorganisms on or in living man or other living animals)." (Food & Agr. Code § 12754.5.)

51. The Food and Agricultural Code prohibits the manufacture, sale or distribution of "…any pesticide or any substance or mixture of substances that is represented to be a pesticide…which is not registered pursuant to this chapter…" (Food & Agr. Code § 12993.)

52. The Food and Agricultural Code also bars the sale of misbranded pesticides, and states that a pesticide is misbranded if "(a) the package or label bears any false or misleading statement, design, or device regarding the article or any ingredient or substance that is contained in it" or if "(d) it is labeled or branded so as to deceive or mislead the purchaser." (Food & Agr. Code § 12881.)

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VI. CALIFORNIA'S GREENWASHING LAW

53. Business and Professions Code section 17580.5 makes it "unlawful for any person to make any untruthful, deceptive, or misleading environmental marketing claim, whether explicit or implied." The law provides that "[f]or the purpose of this section, 'environmental marketing claim' shall include any claim contained in the 'Guides for the Use of Environmental Marketing Claims' published by the Federal Trade Commission" (the "Guides").

54. The Guides specify that it "is deceptive to misrepresent, directly or by implication, that a product . . . or service is non-toxic," and "[n]on-toxic claims should be clearly and prominently qualified to the extent necessary to avoid deception." The Guides further specify that a "non-toxic claim likely conveys that a product . . . or service is non-toxic both for humans and for the environment generally," and thus "marketers making non-toxic claims should have competent and reliable scientific evidence that the product, package, or service is non-toxic for humans and for the environment" and "should clearly and prominently qualify their claims to avoid deception." (16 C.F.R. § 260.10(a), (b) (2009).)

55. The Guides also specify that it "is deceptive to misrepresent, directly or by implication, that a product, package, or service has been endorsed or certified by an independent third party," and any "marketer's use of the name, logo, or seal of approval of a third-party certifier or organization" should "meet the criteria for endorsements provided in the FTC's Endorsement Guides." (16 C.F.R. § 260.6(a), (b) (2009).)

56. The FTC's Endorsement Guides define an "endorsement" as "any advertising message (including . . . depictions of the name, signature, likeness or other identifying personal characteristics of . . . the name or seal of an organization) that consumers are likely to believe reflects the opinions, beliefs, findings, or experiences of a party other than the sponsoring advertiser." (16 C.F.R. § 255.0 (2009).) "Endorsements by organizations, especially expert ones, are viewed as representing the judgment of a group," and thus "an organization's endorsement must be reached by a process sufficient to ensure that the endorsement fairly reflects the collective judgment of the organization." (16 C.F.R. § 255.4 (2009).)

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57. The Guides also state that "[t]hird-party certification does not eliminate a marketer's obligation to ensure that it has substantiation for all claims reasonably communicated by the certification." (16 C.F.R. § 260.6(c) (2009).)

58. The Guides further state that "[i]t is deceptive to misrepresent, directly or by implication, that a product, package, or service is free of, or does not contain or use, a substance. Such claims should be clearly and prominently qualified to the extent necessary to avoid deception." (16 C.F.R. § 260.9(a) (2009).) Additionally, "[i]t is deceptive to misrepresent, directly or by implication, that a product, package, or service offers a general environmental benefit." (16 C.F.R. § 260.4(a) (2009).)

59. For each violation of Section 17580.5, a civil penalty may be assessed under Section 17536 in an amount not to exceed $2,500 for each violation. As noted above, penalties under Section 17536 are cumulative to other remedies.

THE FDA HAS NOT APPROVED DEFENDANTS' AT-HOME TEST KITS

60. The FDA is responsible for validating and authorizing the safety and effectiveness of drugs and medical devices, such as drug test kits.

61. As a result of the COVID-19 pandemic, the FDA has issued guidelines to accelerate the availability of COVID-19 testing ("Interim Guidelines"), while still retaining standards for reliability and validity of such devices.

62. The Interim Guidelines emphasize the importance of FDA validation of all tests because "[i]n the context of a public health emergency involving pandemic infectious disease, it is critically important that tests are validated because false results not only can negatively impact the individual patient but also can have broad public health impact."

63. The Interim Guidelines provide guidance in four different areas:

A. Part A is directed to clinical labs developing tests and the process for received Emergency Use Authorization;

B. Part B is directed to States allowing them to set their own validation standards for testing;

C. Part C provides guidance to commercial manufacturers of diagnostic tests that are

provided to laboratories or health care providers; and

D. Part D provides guidance to commercial manufacturers of diagnostic tests relying solely on blood;

64. Importantly, none of the Interim Guidelines apply to at-home test kits. Parts C and D, which are directed to commercial manufacturers of COVID-19 test kits, specifically state that "this policy does not apply to at home testing."

65. The FDA has updated its website with a "Frequently Asked Questions" page, where, in response to the question of, "Are there any tests that I can purchase to test myself at home for COVID-19?," states:

> "At this time, the FDA has not authorized any COVID-19 test to be completely used and processed at home. However, the FDA has authorized certain COVID-19 tests for home collection of specimens to be sent to a laboratory for processing and test reporting. Please note that these authorizations are specific only to the home collection kit and test pairs identified in those EUA letters of authorization. Any COVID-19 test intended for at-home testing, including self-collection of a specimen at home, with or without the use of telemedicine, requires an authorized EUA. All tests that have received an authorized EUA, including any authorizations for home collection of a specimen, can be found on our Emergency Use Authorizations page. The FDA sees the public health value in expanding the availability of COVID-19 testing through safe and accurate tests that may include home collection, and we are actively working with test developers in this space."

66. On April 20, 2020, the FDA authorized the first diagnostic test with a home collection option for COVID-19: the Laboratory Corporation of America (LabCorp) COVID-19 RT-PCR Test, to permit testing of nasal samples self-collected by patients at home using LabCorp's Pixel by LabCorp COVID-19 Test home collection kit. Defendants do not offer this test kit for sale.

67. On May 7, 2020, the FDA authorized the Rutgers Clinical Genomics Laboratory TaqPath SARS-CoV-2 Assay Test for home collection of saliva samples to be sent to a laboratory for processing and test reporting. The test must be ordered by a physician or

healthcare professional. Defendants do not offer this test kit for sale.

68. On May 16, 2020, the FDA authorized the Everlywell COVID-19 Test Home Collection Kit for home collection of nasal samples to be sent to a laboratory for processing and test reporting. The test is only authorized for use by individuals who have been screened using a questionnaire that has been reviewed by a healthcare provider. Defendants do not offer this kit for sale.

69. Defendants' test kit is not any of the at-home tests approved by the FDA, nor does it bear any resemblance to them. The approved LabCorp's COVID-19 RT-PCR Test and Everlywell COVID-19 Test Home Collection Kit allow consumers to use a nasal swab to collect samples at home and the Rutgers Clinical Genomics Laboratory TaqPath SARS-CoV-2 Assay Test allows consumers to collect saliva samples at home. The samples from all tests are then mailed to an outside laboratory for testing. Unlike Defendants' test, a professional technician, not the consumer, tests the samples under lab conditions, not a residence, to diagnosis COVID-19. Moreover, the approved tests examine saliva and nasal tissue—not blood, as Defendants' test does—to test for COVID-19.

70. In fact, the FDA has specifically warned that "serological" testing—i.e., blood tests for COVID-19 antibodies, the type of testing at issue in this case—should not be used alone without other tests or diagnostic tools:

> "Serological tests measure the amount of antibodies or proteins present in the blood when the body is responding to a specific infection, like COVID-19. In other words, the test detects the body's immune response to the infection caused by the virus rather than detecting the virus itself. In the early days of an infection when the body's immune response is still building, antibodies may not be detected. This limits the test's effectiveness for diagnosing COVID-19 and why it should not be used as the sole basis to diagnose COVID-19."

71. Defendants' test kits are not authorized for "at-home" testing or collection.

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DEFENDANTS' CORONASTOP DISINFECTANTS ARE NOT REGISTERED WITH THE EPA OR THE CDPR

72. The EPA registers pesticide and disinfectant products. Before a disinfectant can be lawfully sold in California, it must be registered with both the EPA and the CDPR.

73. Defendants claim that their products are EPA "approved" and "certified." But this claim is false or misleading because the EPA does not "approve" pesticides or disinfectants, or have any other sort of endorsement program for disinfectants.

74. Defendants also specifically claim that their products are EPA-approved and effective against "Coronavirus." Defendants' CoronaStop Disinfectants (defined *infra*), however, do not appear on List N, which lists products that meet the EPA's criteria for use against SARS-CoV-2.

75. Defendants further claim that "[t]he principal active component in the [Coronastop28] formulation is an EPA-registered biocidal agent," and claim that the CoronaStop Disinfectants are "EPA approved (Reg #HQ-OPP-2013-0220-0008)." But the EPA registers products, not ingredients, and the EPA "Reg #" used by Defendants in conjunction with their advertising and sale of CoronaStop Disinfectants is not a valid EPA registration number for any product.

76. CoronaStop Disinfectants are not registered with the EPA and do not appear on List N as a registered disinfectant product meeting the EPA's criteria for use against SARS-CoV-2.

77. CoronaStop Disinfectants are also not registered with the CDPR.

DEFENDANTS' UNLAWFUL BUSINESS PRACTICES

78. In late February 2020, Defendants began their scheme to market two separate product lines, "at-home" test kits and disinfectants, as follows:

A. CoronaCide At-Home Test Kit: Certain SARS-CoV-2 antibody serology test kits marketed as the CoronaCide-COVID-19 IgM/IgG Rapid Test ("CoronaCide

At-Home Test Kit")[2]; and

B. CoronaStop Disinfectants: A group of disinfectants, marketed under the name CoronaStop or CoronaStop 28, including but not limited to:

i. CoronaStop28/ CS-28 Disinfectant Protectorants (2 oz/ "Personal")

ii. CoronaStop28/ CS-28 Disinfectant Protectorants (1 gallon/ bulk)

iii. CoronaStop28 Disinfectant Sanitizer (1 gallon, bulk) (collectively, the "CoronaStop Disinfectants")

79. The CoronaCide At-Home Test Kit is a "device" and a "home medical device" under Health and Safety Code sections 109920 and 109948.1, because, among other reasons, it is designed for the diagnosis of a disease or other condition, and intended for home use as an in vitro diagnostic test related to a respiratory disease or condition.

80. At no time relevant to this action were any of the CoronaCide At-Home Test Kits approved or authorized by the FDA for home use.

81. The CoronaStop Disinfectants are "pesticides" under FIFRA and the Food and Agriculture Code because Defendants claim they are designed to mitigate viruses outside of the human body (7 U.S.C. §§ 136(u), 136(t); Food & Agr. Code §§ 12753 (a)-(b), 12754.5), except for the occasions identified below when the CoronaStop Disinfectants are being marketed or advertised for use on human skin, in which case Defendants are making a claim that the CoronaStop Disinfectants are a "drug" under the federal Food and Drug Act and the Sherman Law. (Health & Saf. Code § 109925.)

82. At no time relevant to this action were any of the CoronaStop Disinfectants registered with the EPA or registered with the CDPR.

83. CoronaStop Disinfectants also do not appear on List N.

84. At no time relevant to this action were any of the CoronaStop Disinfectants FDA-approved for use as a "drug."

[2] The CoronaCide At-Home Test Kit was also sometimes labeled as a "Stop Corona At-Home Kit".

I. CREATING AND OPERATING FRAUDULENT WEBSITES

85. In addition to advertising and posting links on the main WMGR company website, Defendants set up a series of related websites to advertise the CoronaCide At-Home Test Kit and the CoronaStop Disinfectants, including but not limited to www.stopcorona28.com, www.coronastop28.com, www.cs-28.com, and www.virastop28.com ("Fraudulent Websites") and posted advertisements on various social media sites, including Twitter.

86. Todt, his agent and/or agents for the other Defendants registered all of the Fraudulent Websites. The Stopcorona28 Website, Coronastop28 Website, CS-28 Website, and Virastop28 Website (all defined *infra*) frequently provide a phone number that directs to a WMGR phone answering service.

87. WMGR, or agents acting on its behalf, set up the phone number and answering service associated with Defendants' Fraudulent Websites.

A. Stopcorona28 Website

88. On February 20, 2020, Defendants, or agents on Defendants' behalf, registered the domain "stopcorona28.com" ("Stopcorona28 Website").

89. On the Stopcorona28 Website, Defendants sold a CoronaCide-COVID-19 IgM/IgG Rapid Test ("CoronaCide At-Home Test Kit").[3] Defendants offered the product for $49.95 and claimed:

A. "Testing is easy- just like diabetics use (tiny/pain-free) 'stick tests' to check their blood sugar, this works in a similar manner. Just apply your blood into the test cassette as described in the instructions."

B. "You'll have your results in 10 minutes, without a prescription and no special equipment needed. Best of all, it's in the privacy of your own home."

C. "COVID-19 IgG/IgM Rapid Test is very accurate. The IgG test is 99.6% accurate. The IgM test is 97.8% accurate."

[3] The CoronaCide At-Home Test Kit was also sometimes labeled as a "Stop Corona At-Home Kit."

90. The Stopcorona28 Website also featured the following CoronaStop Disinfectants:

A. CS-28 Disinfectant Protectorant was offered for $25.00 per 2-ounce bottle and $500.00 per one-gallon container with a claim that it "Kills Corona On Contact."

B. CS-28 Disinfectant Sanitizer was offered for $500.00 with a claim that it is "Safe on Skin."

B. Coronastop28.com Website

91. On February 20, 2020, Defendants registered the domain "coronastop28.com" ("Coronastop28 Website"). Defendant Todt is the individual registrant for the domain and the website's registered phone number is the phone number for WMGR, as listed on the WMGR website and in its filings with the SEC.

92. The top of the home page of WMGR's company website contained a link to the Coronastop28 Website, referring to the CoronaStop Disinfectants.

93. On the CoronaStop28 Website, Defendants advertised the same CoronaCide At-Home Test Kit that appears on the Stopcorona28 Website. Defendants offered the CoronaCide At-Home Test Kit for $49.95 and claimed:

A. In a section titled "COVID-19 Test Comparison" the IgM/IgG Rapid Test Section stated: "Results in: 10 minutes; no special facilities needed; test can be used anywhere; no specialized training required; results are clear and easy to read; Clinical Value: Highly specific."

B. "Testing is easy- just like diabetics use (tiny/pain-free) 'stick tests' to check their blood sugar, this test works in a similar manner. Just apply your blood into the test cassette as described in the instructions."

C. "Absolutely, our tests have been validated and registered with the U.S. Food & Drug Association (FDA) as is outlined in in Section IV.D of the Policy for Diagnostic Tests for Coronavirus Disease-2019."

D. The Coronastop28 website also stated that "Test Accuracy: IgG: 99.6% IgM-97.8%."

94. The Coronastop28 Website featured the following CoronaStop Disinfectants, all

advertised as effective for use against coronavirus "for 28 days or more" on both hard and soft surfaces:

A. CS-28 Disinfectant Protectorant was offered for $25.00 per 2-ounce bottle and $500.00 per one-gallon container;

B. CS-28 Disinfectant Sanitizer was offered for $500.00.

C. CS-28 Website

95. On March 13, 2020, Defendants registered the domain "cs-28.com" ("CS-28 Website"). Defendant Todt is the individual registrant for the domain.

96. On the CS-28 Website, Defendants advertised the same CoronaCide At-Home Test Kit that appears on the Stopcorona28 Website and Coronastop28 Website. Defendants offered the CoronaCide At-Home Test Kit for $49.95 and claimed:

A. In a section titled "COVID-19 Test Comparison" the IgM/IgG Rapid Test Section stated: "Results in: 10 minutes; no special facilities needed; test can be used anywhere; no specialized training required; results are clear and easy to read: Clinical Value: Highly specific."

B. "Testing is easy- just like diabetics us (tiny/pain-free) 'stick tests' to check their blood sugar, this test works in a similar manner. Just apply your blood into the test cassette as described in the instructions."

C. "Absolutely, our tests have been validated and registered with the U.S. Food & Drug Association (FDA) as is outlined in in Section IV.D of the Policy for Diagnostic Tests for Coronavirus Disease-2019."

97. Following news reports questioning Defendants' sale of unapproved test kits, Defendants modified their CS-28 Website to state: "If customers inadvertently purchased test kits without access to a healthcare provider or telemedicine services, we are offering two options: They can be given an immediate refund on their purchase or we can provide telemedicine services to them so that they may appropriately use the test as directed and approved by their healthcare provider."

98. Despite Defendants' claim on their CS-28 Website that they would give

immediate refunds, Defendants regularly failed to make timely refunds to consumers. Defendants also had a practice of accepting payments for their falsely advertised and unauthorized kits and failing to initiate refunds to victims who never received these products.

99. The CS-28 Website also advertised and offered for sale the following CoronaStop Disinfectants:

A. CS-28 Disinfectant Protectorant was offered for $25.00 per 2-ounce bottle and $500.00 per one-gallon container with a claim that it "Kills Corona On Contact."

B. CS-28 Disinfectant Sanitizer was offered for $500.00 with a claim that it is "Safe on Skin."

100. As recently as April 23, 2020, the CS-28 Website contained an operable link labeled "purchase."

101. The operable link for "purchase" led to a contact page which gave as options under the Reason of Inquiry "product," "bulk," "support," and "other."

D. ViraStop28.com Website

102. On March 19, 2020, a Twitter account @gatcard, purporting to be George Todt ("Todt Twitter"), tweeted a link to ViraStop28.com ("Virastop28 Website"). This website was registered on February 20, 2020 with the same registrant information as the Stopcorona28 Website. In addition to the link, the tweet included the text "Home test kits now! Fda [sic] approved" and an image identifying CoronaStop28 as "a WMGR Product" with the same logo as appeared on the Coronastop28 Website. The website also described a CoronaStop Disinfectant as "a WMGR product" and included a number of claims, including the following:

A. "KILLS CORONA ON CONTACT"

B. "STOPS COVID-19 FROM LATCHING ONTO SURFACES AND SPREADING"

C. "SAFE"

D. "EPA APPROVED (REG #HQ-OPP-2013-0220-0008)"

E. "ENVIRONMENTALLY FRIENDLY"

F. "NON-TOXIC"

G. "GENERALLY REGARDED AS SAFE (GRAS CLASS, FDA)"

H. "DOES NOT IRRITATE SKIN"

I. "DISINFECTS"

J. "LONG LASTING"

K. "LASTS FOR 28 DAYS OR MORE"

E. Other Social Media

103. Defendants actively promoted the CoronaCide At-Home Test Kit and the CoronaStop Disinfectants on Facebook, Twitter, and Instagram. Defendants replicated many of the false and misleading claims about the CoronaCide At-Home Test Kit and the CoronaStop Disinfectants on these social media platforms through accounts Defendants controlled.

104. Defendants' twitter account @CoronaStop28's claim that "CoronaStop28 can convert ready-made nonwoven masks into truly antiviral protective devices" is false and misleading. The CoronaStop Disinfectants are not listed on List N and are not authorized to claim they can be used on porous surfaces such as fabrics.

105. Defendants also made available on CouponBirds.com a $5 coupon for StopCorona28 products and a 10% off coupon for the CoronaCide At-Home Test Kit. These coupons are advertised as valid until May 21, 2020.

II. FALSELY ADVERTISING THE PURPORTED "AT-HOME" TEST KITS

106. On the Stopcorona28 Website, Defendants advertised the CoronaCide At-Home Test Kit as an "At-Home Kit."

107. On the Stopcorona28 Website and Coronastop28 Website, Defendants linked to a Rapid Test Product Insert titled: "At Home COVID-19 Ig0/Ig* Rapid Test Cassette (Whole Blood/Serum/Plasma) Package Insert." On the Stopcorona28 Website, Defendants offered the CoronaCide At-Home Test Kit for purchase, and in a disclaimer stated "Please only order if you are in a high-risk environment, over 60 years of age or are vulnerable with a pre-existing condition. If you already have symptoms, isolate yourself and seek immediate medical assistance."

108. On March 31, 2020, Defendants' Instagram account Coronastop28

("Coronastop28 Instagram") devoted a post to the CoronaCide At-Home Test Kit which falsely stated that Coronacide is "authorized to be distributed pursuant to FDA EUA guidance" and that there is "no special equipment needed."

III. FALSELY CLAIMING TO SELL CORONACIDE AT-HOME TEST KITS

109. In addition, Defendants' test kit manufacturer claims that Defendants are offering for sale "at home" test kits without a license or authorization from the manufacturer to sell or distribute them. As noted above, Defendants have widely advertised for sale the "CoronaCide" test kits. CoronaCide is a separate entity not affiliated with Defendants. While CoronaCide purports to sell its testing kits to health care practitioners, it has acknowledged that it does not have FDA authorization to sell "at home" testing kits. Recognizing that Defendants and possibly others are marketing and selling CoronaCide test kits as "at home" kits, the CoronaCide company has stated:

> IMPORTANT: There are unscrupulous individuals and entities unlawfully and without permission linking to and/or using this website and images to represent that they have or can get / distribute CoronaCide's Test Kits. They may even falsely suggest that they may be purchased as home test kits. In addition they are NOT AUTHORIZED to utilize any technical accuracy information or clinical trial information or to refer to or use the CoronaCide FDA submission number or FDA listing number in any manner.
>
> They do not have our permission or authorization to utilize CoronaCide's copyrighted images or content in any manner from the CoronaCide website whatsoever. . . To date, those unauthorized individuals and entities [include]: "Wellness Matrix Group."

110. Defendants have not delivered most, if any, CoronaCide At-Home Test Kits to end-use customers who purchased the kits through Defendants' websites and distribution channels.

111. Residents in the City of Los Angeles purchased CoronaCide At-Home Test Kits from Defendants.

112. WMGR is listed on the consumers' credit card statements as the company

responsible for charging consumers for their purchase of the CoronaCide At-Home Test Kits. The phone number associated with WMGR on the credit card statements appears on the WMGR website, in WMGR filings with the SEC, and in the registration for the Coronastop28 Website.

113. Defendants did not deliver CoronaCide At-Home Test Kits to the Los Angeles residents who were charged for the kits. When certain residents asked for a refund, Defendants, including defendant Todt, represented that the purchases would be refunded, but not all customers received the refunds they requested from Defendants.

114. On April 8, 2020, the SEC temporarily suspended trading of WMGR stock "because of questions that have been raised about the accuracy and adequacy of information in the marketplace relating to WMGR common stock" related "to statements WMGR made through affiliated websites and a company consultant about selling at home COVID-19 testing kits that had been approved by the FDA."

115. On April 10, WMGR filed an amended Form 10 in which it stated that it "expect[s] to sell FDA compliant COVID-19 test kits directly to medical and governmental agencies" and plans to provide "FDA compliant POC rapid COVID-19 tests."

116. Defendants continue to market COVID-19 test kits. On April 7, 2020, Todt and/or an agent for Defendants registered www.virasafezone.com ("ViraSafeZone Website"). The ViraZone Website has a post on the homepage allegedly authored by Todt and lists the same phone number associated with WMGR on the credit card statements, on the WMGR website, in WMGR filings with the SEC, and in the registration for the Coronastop28 Website.

117. On the ViraSafeZone Website, Defendants advertise that they are working with Ohana Capital Financial, Pleasant Grove, California (an unincorporated community), Maxwell Telecare, and Heuro Healthcare to distribute disinfectants and hand-sanitizers throughout the State of California that Defendants claim are safe to be used on one's hands, face, lips, and nostrils. In addition, Defendants also advertise that they will sell COVID-19 antibody test kits to every resident of California and collect data on all California residents to share with the State of California and the Centers for Disease Control ("CDC"). Another post on the ViraSafeZone Website claims that WMGR has current projects in Military facilities, prisons, and nursing

homes.

IV. FALSELY ADVERTISING CORONASTOP DISINFECTANTS

118. Through the same websites identified above—www.stopcorona28.com, www.coronastop28.com, www.cs-28.com, and www.virastop28.com—which are falsely advertising and offering for sale CoronaCide At-Home Test Kits, as well as other websites, Defendants have also falsely advertised the CoronaStop Disinfectants.

A. The Fraudulent White Paper

119. On most of these websites, including the Coronastop28 Website and other locations, Defendants offered a "white paper" titled "CoronaStop28 White Paper February 12, 2020," ("CoronaStop28 White Paper") which includes an article titled "Persistence of the CoronaStop28 antimicrobial coating on a hard surface substrate" ("Fraudulent White Paper"). Defendants use this white paper to support claims that the CoronaStop Disinfectants somehow provide persistent protection against coronavirus, even up to 28 days after application. This white paper is a fraud.

120. The CoronaStop28 White Paper makes the following claims:

A. "Transmission by touching deposits of the virus and transferring these to the face is one of the most common means of acquiring infection. If excreted viruses in droplets land on CoronaStop28 -treated surfaces that continue to display germ-killing amounts of Cl for weeks after a single application there is a high likelihood of virus inactivation to a useful degree in preventing contagion."

B. "Data from experiments involving challenge of treated surfaces with infectious germs of all kinds---bacteria, viruses, yeasts, fungi, spores---up to two months after one disinfecting treatment demonstrate that levels of kill are maintained at a high level across the board."

C. "Scientific data collectively provide a solid basis for incorporating CoronaStop28 persistent disinfectant protection into current infection control efforts not only for 2019 -nCov, but for all the germs, old or emerging, that continue to plague at-risk populations everywhere, both human and animal (e.g.,

influenza, COVID-19, ASF, norovirus)."

D. Representing that the Fraudulent White Paper was authored by Curtis Donskey, MD, and representing that its contents are true, accurate, and based on scientific study.

121. One of the alleged authors of the Fraudulent White Paper—Dr. Curtis Donskey, a professor of medicine at Case Western Reserve University and an infectious disease specialist in Cleveland, Ohio—has confirmed he did not write the Fraudulent White Paper, and has never performed any testing on any CoronaStop Disinfectants or related products.

122. Dr. Donskey has no information about how CoronaStop Disinfectants perform against viruses, such as SARS-CoV-2.

123. Dr. Donskey did write a paper, with the same named co-author and with a similar analysis, approximately 10 years ago for a different product, mPale with AEGIS Microbeshield ("AEGIS White Paper"), which may have some similar charts as those used in the Fraudulent White Paper. The AEGIS White Paper was testing a different product, and the targeted microorganisms were bacteria such as Staphylococcus aureus ("MRSA"), not SARS-CoV-2 (which was not even identified until recently).

124. The AEGIS White Paper also contained a section, missing from the Fraudulent White Paper, stating that any persistent anti-microbial effect of mPale with AEGIS Microbeshield, which is not a CoronaStop Disinfectant, was lost with any routine cleaning of a surface.

125. Based on a review of the EPA-approved label for the mPale with AEGIS Microbeshield and the CoronaStop28 Material Safety Data Sheet, Dr. Donskey has confirmed that the mPale with AEGIS Microbeshield product and CoronaStop Disinfectants are different and unrelated products.

B. Defendants' False Advertising Claims

126. Defendants have made the following false advertising claims regarding Coronastop28/ CS-28 Protectorants (2 oz. "personal") ("CS-28 Personal"), and the CoronaStop28 Disinfectant Sanitizer (1 gallon, bulk) ("CS-28 Disinfectant"), which are both

identified as a "WMGR product" on their labels:

1. False Label Claims

a. CoronaStop28/ CS-28 Disinfectant Protectorants (2 oz/ "Personal")

127. The CS-28 Personal label claims this product offers "[p]ersistent virucidal protection." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; Food & Agr. Code § 12881.)

128. The CS-28 Personal label claims this product "[k]ills CoronaVirus." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

129. The CS-28 Personal label claims this product is "[s]cientifically tested and proven to kill the CoronaVirus on contact." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, to the extent the "scientific" claim offered by the Defendants is based on the Fraudulent White Paper, it is false and unsupported by reliable evidence. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

130. The CS-28 Personal label claims this product's "USE" is "to sanitize hard and soft surfaces." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, no relevant

product on List N is registered for use on porous surfaces, such as fabrics, and it is false to advertise CS-28 Personal for that use. (7 U.S.C. § 136j; Food & Agr. Code § 12881.)

131. The CS-28 Personal label claims "[e]ither spray or use with a fogging machine." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is an unregistered or misbranded product. (7 U.S.C. § 136); Food & Agr. Code § 12881.) Moreover, this label claim is false and misleading because neither the EPA nor the CDC recommend the use of fumigation or wide-area spraying to control COVID-19, but rather recommend that contaminated surfaces be cleaned with liquid products, such as those provided on List N, to prevent the spread of disease. Fumigation and wide-area spraying are not appropriate tools for cleaning surfaces contaminated with SARS-CoV-2.

b. CoronaStop28/ CS-28 Disinfectant Protectorants (1 gallon/ bulk)

132. The CS-28 Protectorants' label claims this product offers "[p]ersistent virucidal protection." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR, or on List N. It is therefore deceptive and unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; Food & Agr. Code § 12881.)

133. The CS-28 Protectorants' label claims this product "[k]ills CoronaVirus." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

134. The CS-28 Protectorants' label claims this product is "[s]cientifically tested and proven to kill the CoronaVirus on contact." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or

on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, to the extent the "scientific" claim offered by Defendants is based on the Fraudulent White Paper, it is false and unsupported by reliable evidence. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

135. The CS-28 Protectorants' label claims this product's "USE" is "to sanitize hard and soft surfaces." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, no relevant product on List N is registered for use on porous surfaces, such as fabrics. (7 U.S.C. § 136j; Food & Agr. Code, § 12881.)

136. The CS-28 Protectorants' label claims "[e]ither spray or use with a fogging machine." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) Moreover, this label claim is false and misleading because neither the EPA nor the CDC recommend the use of fumigation or wide-area spraying to control COVID-19, but rather recommend that contaminated surfaces be cleaned with liquid products, such as those provided on List N, to prevent the spread of disease. Fumigation and wide-area spraying are not appropriate tools for cleaning surfaces contaminated with SARS-CoV-2.

c. CoronaStop28 Disinfectant Sanitizer (1 gallon, bulk)

137. The CS-28 Disinfectant's label claims this product is a "Sanitizer." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR. It is therefore deceptive and unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; Food & Agr. Code § 12881.)

138. The CS-28 Disinfectant's label claims this product "[k]ills CoronaVirus." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not

registered with the EPA or the CDPR or List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

139. The CS-28 Disinfectant's label claims this product is "[s]cientifically tested and proven to kill the CoronaVirus on contact." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, to the extent the "scientific" claim offered by Defendants is based on the Fraudulent White Paper, it is false and unsupported by reliable evidence. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

140. The CS-28 Disinfectant's label claims this product's "USE" is "to sanitize hard and soft surfaces." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, no relevant product on List N is registered for use on porous surfaces, such as fabrics. (7 U.S.C. § 136j; Food & Agr. Code § 12881.)

2. False Advertising Claims – CoronaStop Disinfectants

141. On the Fraudulent Websites and in many other similar advertisements, Defendants make the following false advertising claims for the CoronaStop Disinfectants, along with related similar false claims:

a. False Pesticide-Related Claims

142. The following **pesticide-related claims** are all false or misleading because (1) the CoronaStop Disinfectants are not an EPA or CDPR-registered pesticide and therefore cannot legally make public health claims as defined by FIFRA, and (2) the CoronaStop

Disinfectants do not appear on EPA's List N, and cannot be advertised as effective for use against SARS-CoV-2. (7 U.S.C. § 136j; 40 CFR § 158.2220; Food & Agr. Code § 12881.):

A. Claims made at the Coronastop28 Website that the CoronaStop Disinfectant is an "Antimicrobial Disinfectant Protectorant Coating" and a "POWERFUL ANTI-MICROBIAL/VIRAL FORMULA" that "DISINFECTS."

B. Claims made at the Coronastop28 Website that the CoronaStop Disinfectant "Kills Corona on contact," and "STOPS COVID-19 FROM LATCHING ONTO SURFACES AND SPREADING."

143. The following **porous-surface use claims** are all false or misleading because the EPA has not authorized this product for use on porous or non-porous surfaces.

A. Defendants made or caused to be made certain claims on widely published "CoronaStop28" documents, which identify "Coronastop28" as "a WMGR product," including but not limited to claims that "[o]ur research proved the persistence of CoronaStop28 to be superior on all types of surfaces, porous and non-porous alike. We tested our product on hard-surface substrates, non-woven textiles, Formica, and human skin."

B. On their Twitter account @CoronaStop28, Defendants claimed that "CoronaStop28 can convert ready-made nonwoven masks into truly antiviral protective devices."

b. False Persistence-Related Claims

144. The following **persistence-related claims** are all false or misleading because the EPA has not evaluated and accepted a residual claim for pathogens, meaning that the CoronaStop Disinfectants cannot make claims about residual activity regarding viruses, including SARS-CoV-2. These claims are also false because they are based on the Fraudulent White Paper.

A. Defendants stated on the Coronastop28 Website that the CoronaStop Disinfectant "LASTS FOR 28 DAYS OR MORE," and that "[d]ata from experiments involving the challenge of treated surfaces with infectious germs of

all kinds- --bacteria, viruses, yeasts, fungi, spores---up to two months after one disinfecting treatment demonstrate that levels of kill are maintained at a high level across the board";

B. On April 6, 2020, the StopCorona28 (@stopcorona38) Facebook page stated in a post that "Our disinfectant kills corona-virus for up to 28 days!"

C. Defendants also made or caused to be made certain claims on websites and published documents that "[s]tudies show that COVID-19 remains on surfaces for multiple days! This product is a necessity to assist in the protection of people from catching the dangerous COVID-19 from contaminated surfaces," and "CoronaStop28 persists on coated surfaces for 28 days without noticeable decline."

c. False EPA-Approval Related Claims

145. The following **"EPA Approved" and related claims**, published on Defendants' websites, product labels, and/or advertisements, are false or misleading because the advertisement provides a false registration number, the product is not registered with the EPA, and the EPA does not "approve" or endorse products. In addition, such false claims of independent-third party approval are prohibited under California's Greenwashing Law. (Bus. & Prof. Code § 17580.5; 16 C.F.R. § 260.6 (a)-(b); 16 C.F.R. §§ 255.0, 255.4.)

A. "EPA APPROVED (REG #HQ-OPP-2013-0220-0008)"

B. "The principal active component in the formulation is an EPA-registered biocidal agent."

d. False Environmental Claims

146. The following **"environmentally friendly" and related claims**, published on Defendants' websites, product labels, and/or advertisements, are false and misleading because the CoronaStop Disinfectants are pesticides that contain toxins. Such false claims of "environmental friendliness" and non-toxicity, when the product in fact contains a pesticide, are generally prohibited under California's Greenwashing Law. (Bus. & Prof. Code § 17580.5; 16 C.F.R. § 260.10 (a)-(b).) Defendants made the following environmentally friendly and related

claims:

A. "ENVIRONMENTALLY FRIENDLY"

B. "NON-TOXIC"

e. False Drug-related and human body claims

147. **"Drug" related claims,** i.e., claims related to the effects of the product on coronavirus on the human body, published on Defendants' websites, product labels, and/or advertisements, are all false and misleading because EPA-registered antimicrobial pesticides are not authorized for use on living humans, and the EPA does not register antimicrobial pesticides intended for use on human skin. Also, to the extent Defendants are making specific "skin" claims, Defendants are in fact advertising this product as a drug. This also false and unlawful because CoronaStop Disinfectants are not FDA-approved drugs and cannot be sold with such claims. (Health & Saf. Code §§ 109925 (defining "drug"), 110390, 110395, 110398, 111440, 111550). Such claims are also false and misleading because the product is classified as a pesticide and, as such, cannot be used on human skin or characterized as GRAS or safe. Defendants made the following drug-related claims:

A. "DOES NOT IRRITATE SKIN"

B. GENERALLY REGARDED AS SAFE (GRAS CLASS, FDA)

C. "We tested our product on . . . human skin."

D. "The active ingredients in the MACS formulation are safe for prolonged skin contact, and do not cause irritation or sensitization."

FIRST CAUSE OF ACTION:

VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17500

(UNTRUE OR MISLEADING REPRESENTATIONS)

(Against All Defendants)

148. The People restate and incorporate herein each and every allegation set forth in paragraphs 1–147 above, as though fully alleged herein.

149. Beginning no later than February 20, 2020, and continuing to the present, Defendants, and each of them, with each other or with other unknown persons, have engaged in

and continue to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to conspire to violate Business and Professions Code section 17500 by making or disseminating untrue or misleading statements, or causing untrue or misleading statements to be made in the in the City and County of Los Angeles, with the intent to induce the purchase of at-home test kits, when they knew or by the exercise of reasonable care should have known the statements were untrue, misleading, and unsubstantiated. Defendants' untrue or misleading representations include, but are not limited to, the following:

A. Representing the CoronaCide At-Home Test Kit as an "At-Home Kit." Such statements are untrue and misleading because the FDA has not authorized the use of any serological in-home testing kits for COVID-19, including the CoronaCide At-Home Test Kit;

B. Representing, with respect to the CoronaCide At-Home Test Kit, that "[t]esting is easy- just like diabetics use (tiny/pain-free) "stick tests" to check their blood sugar, this works in a similar manner. Just apply your blood into the test cassette as described in the instructions." Such statements are untrue and/or misleading because the FDA has not authorized the direct sale to consumers by a non-physician of any serological in-home testing kits for COVID-19, including the CoronaCide At-Home Test Kit;

C. Representing that "Absolutely, our tests have been validated and registered with the U.S. Food & Drug Association (FDA) as is outlined in in Section IV.D of the Policy for Diagnostic Tests for Coronavirus Disease-2019." Such statements are untrue and/or misleading because the FDA has not authorized the use of any in-home serological testing kits for COVID-19, including the CoronaCide At-Home Test Kit;

D. Representing that "Test Accuracy: IgG: 99.6% IgM- 97.8%." Such statements are untrue and/or misleading because the FDA has not validated the accuracy of any in-home testing kits for COVID-19, including the CoronaCide At-Home Test Kit;

E. Representing that "[y]ou'll have your results in 10 minutes, without a prescription and no special equipment needed. Best of all, it's in the privacy of your own home." Such statements are untrue and/or misleading because the FDA has not authorized the use of any in-home serological testing kits for COVID-19, including the CoronaCide At-Home Test Kit;

F. Representing that the CoronaCide At-Home Test kits could give: "results in: 10 minutes;" and that "no special facilities needed; test can be used anywhere; no specialized training required; results are clear and easy to read." Such statements are untrue and/or misleading because the FDA has not authorized the use of any in-home serological testing kits for COVID-19, including the CoronaCide At-Home Test Kit; and

G. Representing that Defendants' CoronaCide At-Home Test Kit can be used as an in-home testing kit by labeling a Package Insert for the product the: "At Home COVID-19 Ig0/Ig* Rapid Test Cassette (Whole Blood/Serum/Plasma) Package Insert." Such statements are untrue and/or misleading because the FDA has not authorized the use of any in-home serological testing kits for COVID-19, including the CoronaCide At-Home Test Kit.

150. Beginning no later than February 20, 2020, and continuing to the present, Defendants, and each of them, with each other or with other unknown persons, have engaged in and continue to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to conspire to violate Business and Professions Code section 17500 by making or disseminating untrue or misleading statements, or causing untrue or misleading statements to be made in the in the City and County of Los Angeles, with the intent to induce the purchase of CoronaStop Disinfectants, when they knew or by the exercise of reasonable care should have known the statements were untrue, misleading, and unsubstantiated. Defendants' untrue or misleading representations include, but are not limited to, the following:

151. False or misleading advertising claims on labels:

A. CoronaStop28/ CS-28 Disinfectant Protectorants (2 oz/ "Personal")

i. The label claims this product offers "[p]ersistent virucidal protection." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.)

ii. The label claims this product "[k]ills CoronaVirus." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

iii. The label claims this product is "[s]cientifically tested and proven to kill the CoronaVirus on contact." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, to the extent the "scientific" claim offered by the Defendants is based on the Fraudulent White Paper, the claim false and unsupported by reliable evidence. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

iv. The label claims this product's "USE" is "to sanitize hard and soft

surfaces." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, no relevant product on List N is registered for use on porous surfaces, such as fabrics, and therefore, it is false for Defendants to advertise CS-28 Disinfectant Protectorants for that use. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.)

v. The label claims "[e]ither spray or use with a fogging machine." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) Moreover, this label claim is false and misleading because neither the EPA nor the CDC recommend the use of fumigation or wide-area spraying to control COVID-19, but rather recommend that contaminated surfaces be cleaned with liquid products, such as those provided on List N, to prevent the spread of disease. Fumigation and wide-area spraying are not appropriate tools for cleaning surfaces contaminated with SARS-CoV-2.

B. CoronaStop28/ CS-28 Disinfectant Protectorants (1 gallon/ bulk)

i. The label claims this product offers "[p]ersistent virucidal protection." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.)

ii. The label claims this product "Kills CoronaVirus." This claim is false or misleading because this product is a disinfectant designed to mitigate

viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

iii. The label claims this product is "[s]cientifically tested and proven to kill the CoronaVirus on contact." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, to the extent the "scientific" claim offered by the Defendants is based on the Fraudulent White Paper, the claim is false and unsubstantiated by reliable evidence. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

iv. The label claims this product's "USE" is "to sanitize hard and soft surfaces." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, no relevant product on List N is registered for use on porous surfaces, such as fabrics. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.)

v. The label claims "[e]ither spray or use with a fogging machine." This claim is false or misleading because this product is a disinfectant designed

to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) Moreover, this label claim is false and misleading because neither the EPA nor the CDC recommend the use of fumigation or wide-area spraying to control COVID-19, but rather recommend that contaminated surfaces be cleaned with liquid products, such as those provided on List N, to prevent the spread of disease. Fumigation and wide-area spraying are not appropriate tools for cleaning surfaces contaminated with SARS-CoV-2.

C. CoronaStop28 Disinfectant Sanitizer (1 gallon, bulk).

i. The label claims this product is a "Sanitizer." This claim is false or misleading because if this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR. It is therefore deceptive and unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.)

ii. The label claims this product "[k]ills CoronaVirus." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

iii. The label claims this product is "[s]cientifically tested and proven to kill the CoronaVirus on contact." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered

with the EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, to the extent the "scientific" claim offered by the Defendants is based on the Fraudulent White Paper, the claim is false and unsubstantiated by reliable evidence. (7 U.S.C. § 136j; Food & Agr. Code § 12881.) This claim is also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus.

iv. The label claims this product's "USE" is "to sanitize hard and soft surfaces." This claim is false or misleading because this product is a disinfectant designed to mitigate viruses not registered with EPA or the CDPR or on List N. It is therefore unlawful to sell this product because it is unregistered or misbranded. Moreover, no relevant product on List N is registered for use on porous surfaces, such as fabrics. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.)

152. Other false advertising claims:

A. Representing that Defendants' CoronaStop Disinfectants are pesticides registered with the EPA for use against SARS-CoV-2. These claims are all false or misleading because these claims are made for an unregistered disinfectant that is not on List N. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) These claims are also false and misleading because the product has not been evaluated for registration by EPA, does not appear on List N, and therefore cannot be advertised as effective at "killing," "stopping," or "eliminating" any virus, including the novel coronavirus. These claims include but are not limited to the following:

i. "Kills Corona on contact"

ii. "Antimicrobial Disinfectant Protectorant Coating"

iii. "POWERFUL ANTI-MICROBIAL/VIRAL FORMULA"

iv. "STOPS COVID-19 FROM LATCHING ONTO SURFACES AND SPREADING," and

v. "DISINFECTS."

B. Representing that Defendants' CoronaStop Disinfectants are pesticides registered with the EPA for use against SARS-CoV-2 on "soft" or "porous" surfaces. These claims are all false or misleading because these claims are made for an unregistered disinfectant that is not on List N, and no relevant product on List N is approved for use on porous surfaces. (7 U.S.C. § 136j; 40 C.F.R. § 168.22; Food & Agr. Code § 12881.) These claims are also false and misleading to the extent they rely upon claims included in the Fraudulent White Paper. These claims include but are not limited to the following:

i. "CoronaStop28 can be used on nearly any type of surface. Our research proved the persistence of CoronaStop28 to be superior on all types of surfaces, porous and non-porous alike. We tested our product on hard-surface substrates, non-woven textiles, Formica, and human skin."

ii. "Our research proved the persistence of CoronaStop28 to be superior on all types of surfaces, porous and non-porous alike."

C. Representing that Defendants' CoronaStop Disinfectants persist on a surface for a significant duration of time of up to 28 days. These claims are all false or misleading because the EPA has not evaluated and accepted a residual claim for pathogens, and because they are based on the Fraudulent White Paper. These claims include but are not limited to the following:

i. "LASTS FOR 28 DAYS OR MORE"

ii. "Data from experiments involving the challenge of treated surfaces with infectious germs of all kinds---bacteria, viruses, yeasts, fungi, spores---up to two months after one disinfecting treatment demonstrate that levels of

kill are maintained at a high level across the board."

iii. "Our disinfectant kills corona-virus for up to 28 days!"

iv. "Studies show that COVID-19 remains on surfaces for multiple days! This product is a necessity to assist in the protection of people from catching the dangerous COVID-19 from contaminated surfaces."

v. "CoronaStop28 persists on coated surfaces for 28 days without noticeable decline."

vi. "Our research proved the persistence of CoronaStop28 to be superior on all types of surfaces, porous and non-porous alike."

D. Representing that Defendants' CoronaStop Disinfectants are "EPA Approved" or endorsed by the EPA in any way, and other false claims regarding the EPA registration status of these products. These claims are all false or misleading because Defendants provided a false registration number for the CoronaStop Disinfectants, which are not registered with the EPA, and the EPA does not "approve" or endorse products. These claims include but are not limited to the following:

i. "EPA APPROVED (REG #HQ-OPP-2013-0220-0008)"

ii. "The principal active component in the formulation is an EPA-registered biocidal agent."

E. Representing that Defendants' CoronaStop Disinfectants are "environmentally friendly" and/or non-toxic. These claims are also false and misleading because the EPA does not allow products it regulates under FIFRA to be advertised as "safe" or "non-toxic." The EPA does not characterize products that it regulates under FIFRA as "Generally Regarded as Safe" or "GRAS." The Material Safety Data Sheet provided by Defendants includes warnings for, among other things, skin irritation. These claims include but are not limited to the following:

i. "ENVIRONMENTALLY FRIENDLY"

ii. "NON-TOXIC"

F. Representing that Defendants' CoronaStop Disinfectants meet certain drug-related standards and can be effectively used on the human body. These claims are all false or misleading because none of Defendants' CoronaStop Disinfectants are FDA-approved drugs. To the extent Defendants are claiming their product has anti-microbial properties on human skin, they are making a drug claim about an unapproved product in violation of California law. (Health & Saf. Code §§ 109925 (defining "drug"), 110390, 110395, 110398, 111440, 111550). The claims are also false and misleading because the EPA does not allow products it regulates under FIFRA to be advertised as "safe" or "non-toxic." The EPA does not characterize products that it regulates under FIFRA as "Generally Regarded as Safe" or "GRAS." The EPA also does not approve the use of pesticides on human skin. These claims include but are not limited to the following:

i. "DOES NOT IRRITATE SKIN"

ii. GENERALLY REGARDED AS SAFE (GRAS CLASS, FDA)

iii. "We tested our product on . . . human skin."

"The active ingredients in the MACS formulation are safe for prolonged skin contact, and do not cause irritation or sensitization."

153. Defendants knew, or by the exercise of reasonable care should have known at the time of making the statements, or causing the statements to be made, that the statements set forth in Paragraphs 149.A. through 149.G., 151.A. through 151.C., and 152.A. through 152.F. were untrue or misleading.

154. These violations render each Defendant liable to the People for civil remedies of up to $2,500 for each violation under Business and Professions Code section 17536 and provide the basis for other remedies.

155. Defendants continue to market their "28-day" disinfectant and "8-hour" sanitizer. On the ViraSafeZone Website, Defendants claim to have devised a phased plan for "a safe return to work" featuring Defendants' products. As noted above, this plan includes Defendants' at-home COVID-19 test kits. This plan also purportedly includes the use of 28-day disinfectants to

"[s]etup a viral-repellent, high impact facility (i.e., City Hall) to create a virus free work environment."

156. Defendants are further marketing the use of their "28-Day" disinfectant "to disinfect from floor to ceiling, all furniture, face masks, clothing, equipment, etc., for all surfaces of the facility.

157. Defendants' conduct, which began no later than February 20, 2020, is in continuing violation of the False Advertising Law and has occurred within four years of the filing of this Complaint.

SECOND CAUSE OF ACTION:

VIOLATIONS OF BUSINESS AND PROFESSIONS CODE SECTION 17580.5

(Untrue, Deceptive or Misleading Environmental Marketing Claims)

(Against All Defendants)

158. The People restate and incorporate herein each and every allegation set forth in paragraphs 1–157 above, as though fully alleged herein.

159. Beginning on or about February 20, 2020, if not earlier, and continuing to the present, Defendants, and each of them, with each other or with other unknown persons, have engaged in and continue to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to conspire to violate Business and Professions Code section 17580.5 by making untruthful, deceptive, or misleading environmental marketing claims in the City and County of Los Angeles. Defendants' untrue or misleading representations include, but are not limited to, the following:

A. Representing that Defendants' CoronaStop Disinfectants are "environmentally friendly" and/or non-toxic. These claims are also false or misleading because antimicrobial pesticides are necessarily toxic. These claims include, but are not limited to, the following:

i. "ENVIRONMENTALLY FRIENDLY"

ii. "NON-TOXIC"

B. Representing that Defendants' CoronaStop Disinfectants are "EPA

Approved" or endorsed by the EPA in any way, and other false claims regarding EPA registration status. These claims are all false or misleading because the Defendants provide a false registration number, the CoronaStop Disinfectants are not registered with the EPA, and the EPA does not "approve" or endorse products and has not "approved" or endorsed the CoronaStop Disinfectants. These claims include but are not limited to the following:

i. "EPA APPROVED (REG #HQ-OPP-2013-0220-0008)"

ii. "The principal active component in the formulation is an EPA-registered biocidal agent."

160. These violations render each Defendant liable to the People for civil remedies of up to $2,500 for each violation under Business and Professions Code section 17536 and provide the basis for other remedies.

161. Defendants' conduct, which began not later than February 20, 2020, is in continuing violation of Business and Professions Code section 17580.5 and has occurred within four years of the filing of this Complaint.

THIRD CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE 17200

(UNFAIR COMPETITION)

(Against All Defendants)

162. The People restate and incorporate herein each and every allegation set forth in paragraphs 1 through 161 above, as though fully alleged herein.

163. Beginning no later than February 20, 2020 and continuing to the present, Defendants, and each of them, with each other or other unknown persons, have engaged in and continue to engage in, aided and abetted and continue to aid and abet, and conspired to and continue to conspire to engage in acts or practices that constitute unfair competition as defined by Business and Professions Code section 17200 by engaging in unfair, unlawful and/or fraudulent conduct as described in this complaint. Such acts or practices include, but are not limited to, the following:

A. Violating Business and Professions Code section 17500, by making or disseminating, or causing to be made or disseminated, statements before the public with respect to the effectiveness that Defendants knew were untrue and misleading and which were and are known by Defendants to be untrue and misleading, as described above, including in paragraphs 148-157;

B. Violating Business and Professions Code section 17580.5, by making untruthful, deceptive, or misleading environmental marketing claims as described above, including in paragraphs 158-161;

C. Violating Health and Safety Code section 111440, as described above, by selling, delivering, holding, or offering for sale a drug or device that is misbranded as described above, including in paragraphs 88-93, 95-98, 106-17, 147, and 148-50;

D. Violating Health and Safety Code section 111550, as described above, by selling or offering for sale a new drug or device that does not satisfy relevant federal or state requirements, as described above, including in paragraphs 88-99, 102, 106-17, and 126-61;

E. Violating Health and Safety Code section 110390, by disseminating false advertisements for devices and drugs, as described above, including in paragraphs 88-99, 102, 106-17, and 126-61, which advertisements are false or misleading in any particular;

F. Violating Health and Safety Code section 110395, as described above, including in paragraphs 88-99, 102, 106-17, and 126-61, by manufacturing, selling, delivering, holding, or offering for sale any drug or device that is falsely advertised;

G. Violating Health and Safety Code section 110398, as described above, including in paragraphs 88-99, 102, 106-17, and 126-61, by advertising any drug or device that is misbranded;

H. Violating Food and Agricultural Code section 12993, which prohibits the

manufacture, sale or distribution of "…any pesticide or any substance or mixture of substances that is represented to be a pesticide…which is not registered pursuant to this chapter…," by selling and/or distributing unregistered products as described above, including in paragraphs 91-99, 102, 116-17, 126-47, 151-53, and 158-61;

I. Violating Food and Agricultural Code section 12881, which prohibits the sale of misbranded pesticides, and states that a pesticide is misbranded if "(a) the package or label bears any false or misleading statement, design, or device regarding the article or any ingredient or substance that is contained in it" or if "(d) it is labeled or branded so as to deceive or mislead the purchaser," by selling products that bear false and misleading statements and/or are labeled to mislead the purchaser as described above, including in paragraphs 91-99, 102, 116-17, 126-47, 151-53, and 158-61;

J. Violating FIFRA, 7 U.S.C. section 136j, by selling or distributing pesticides that are unregistered and/or the sale or distribution of registered pesticides with claims that substantially differ from those allowed under the terms of their registration as described above, including in paragraphs 91-99, 102, 116-17, 126-47, 151-53, and 158-61; and

K. Violating FIFRA, 7 U.S.C. section 136j, by selling or distributing pesticides that are misbranded, including, among other things, pesticides where the "labeling bears any statement, design, or graphic representation relative thereto or to its ingredients which is false or misleading in any particular;" or the pesticide "is an imitation of, or is offered for sale under the name of, another pesticide," (7 U.S.C. § 136(q)), as described above, including in paragraphs 91-99, 102, 116-17, 126-47, 151-53, and 158-61.

164. By committing the acts alleged above, at all times material to this complaint, each Defendant has engaged in unlawful business practices that constitute unfair competition within the meaning of Business and Professions Code section 17200.

165. By committing the acts alleged above, Defendants are liable to the People for civil penalties of up to $2,500 for each violation.

166. Defendants' unlawful, unfair, and fraudulent business acts or practices, as described above, present a continuing threat to members of the public.

167. Defendants' conduct, which began not later than February 20, 2020, is in continuing violation of the Unfair Competition Law and has occurred within four years of the filing of this Complaint.

PRAYER FOR RELIEF

Wherefore, the People pray for judgment as follows:

1. That pursuant to Business and Professions Code sections 17203 and 17204 and the equitable powers of the Court, Defendants, and their successors, agents, representatives, employees, and all persons who act in concert with Defendants be permanently enjoined from engaging in unfair competition as defined in Business and Professions Code section 17200 et seq., including, but not limited to, the acts and practices alleged in this Complaint.

2. That pursuant to Business and Professions Code section 17535, Defendants, their successors, agents, representatives, employees, and all persons who act in concert with Defendants be permanently enjoined from making any untrue or misleading statements in violation of Business and Professions Code section 17500 et seq., including but not limited to, the untrue or misleading statements alleged in the Complaint.

3. That pursuant to Business and Professions Code section 17206, Defendants be assessed a civil penalty of $2,500 for each violation of Business and Professions Code section 17200 et seq. that they committed, caused, aided and abetted or conspired to commit, as proved at trial, but in an amount not less than $1,000,000.

4. That pursuant to Business and Professions Code section 17536, Defendants be accessed a civil penalty of $2,500 for each violation of Business and Professions Code sections 17500 et seq. that they committed, caused, aided and abetted, or conspired to commit, as proved at trial, but in an amount not less than $1,000,000.

5. That Defendants be ordered to make direct restitution of any money or other

property that may have been acquired by the violations of Business and Professions Code section 17200 et seq. and 17500 et seq.

6. That the People recover the costs of this action.

7. Such other relief that the Court deems just and proper.

Dated: May 26, 2020

Respectfully Submitted,

MICHAEL N. FEUER
Los Angeles City Attorney

By: Christina V. Tusan
CHRISTINA V. TUSAN
Supervising Deputy City Attorney