IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA

TAMMIE ACKELSON,

Plaintiff

v.

AQUAWOOD, LLC; BANZAI INTERNATIONAL LTD.; CHAN MING YIU a/k/a SAMSON CHAN; CHAN SIU LUN a/k/a Alan Chan; DOLLAR EMPIRE LLC; BRIAN DUBINSKY; LIU YI MAN a/k/a LISA LIU; MANLEY TOY DIRECT, LLC a/k/a WORLDWIDE TOY DIRECT; MGS INTERNATIONAL, LLC; PARK LANE SOLUTIONS LTD; RICHARD TOTH; TOY NETWORK, LLC; TOY NETWORK HONG KONG; TOY QUEST LTD.; and MICHAEL WU.

Defendants,

Case No. 4:19-cv-00135

COMPLAINT AND DEMAND FOR JURY TRIAL

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INTRODUCTION

1. Plaintiff Tammie Ackelson ("Ackelson") is a survivor of workplace sexual harassment and sex discrimination.

2. She brings this action against the international network of fraudsters, cheaters, and money launderers who have denied her—and other victims like her—the justice she deserves.

3. Working together as an association-in-fact enterprise (the "SLB Enterprise") that uses a shifting web of interchangeable trade names and companies with shared addresses, accounts, personnel, and other resources (the "SLB Companies"), the Defendants have made millions of dollars by manufacturing, importing, marketing, and selling electronics, seasonal play things, and other toys (the "SLB Products") for children.

4. But the Defendants' corrupt business practices have been anything but fun and games for their victims. Litigation in courts across the United States has established that SLB Companies such as Manley Toy Direct LLC ("MTD") and Manley Toys Ltd. ("Manley") have, *inter alia*:

a) subjected female employees, including Ackelson as well as Robin Lynn Drake, Heather Miller, Danielle Rennenger, and Ammee Roush (collectively the "Iowa victims") to extensive sexual harassment and discrimination when they worked for SLB Companies;

b) cheated competitors, including Minnesota-based company ASI Inc. ("Aviva") by falsely advertising SLB Products through fraudulently altered images of children;

c) scammed designer Mitch August by failing to pay him as promised for his design and sale of SLB Products, and;

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d) sold Toys “R” Us (“TRU”) a defective water slide that caused the death of a 29-year old Massachusetts woman after she used it while her 15-month old daughter bore witness.

5. Even though the misconduct described above has resulted in millions of dollars in U.S. judgments, the plaintiffs in those cases have been unable to collect much if anything from the SLB Enterprise, one of the most lucrative toy-selling enterprises in the world.

6. This is because the SLB Enterprise thrives on its ability to tap into its common resources, including its confusing tangle of interchangeable names and companies, to sell products in the United States continuously while evading American creditors.

7. Rather than comply with U.S. judgments against them, the principals of MTD and Manley hatched a criminal judgment evasion scheme that would allow them to keep profits captured by the SLB Enterprise while depriving Ackelson and other creditors of money they rightfully deserved.

8. To carry out this scheme, the Defendants have repeatedly committed bankruptcy offenses, customs fraud, wire fraud, obstruction of justice, and money laundering.

a) Through elaborate trickery, the principals of MTD and Manley artificially forced these companies into dissolution or bankruptcy while keeping actual control of each company’s business and assets.

b) With the help of lawyers, wholesalers, and others, the principals of MTD and Manley deceived courts, U.S. Customs, and their own customers in order to keep money flowing into the SLB Enterprise and out of the hands of creditors.

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c) The principals of MTD and Manley conspired with others to launder the proceeds of their crimes by transferring revenue from the United States to Hong Kong, concealing assets, and funding their ongoing efforts to defraud creditors.

9. The SLB Enterprise's use of artifice, sleight of hand, and shifting corporate entities have confounded creditors and courts alike, making it easy for the enterprise to victimize Americans and impossible (thus far) for creditors to receive justice through the American legal system.

10. The SLB Enterprise has prevented Ackelson, Aviva, and other judgment creditors from enforcing their respective judgments against MTD and other SLB Companies because the enterprises plays what federal judges in this District and the Central District of California have aptly described as a "shell game."

11. Similarly, in a civil rights case brought by an Iowa victim, an Iowa appeals court described the chicanery of MTD, Manley, and other members of the enterprise as a game of "corporate entity three-card monte" for the purpose of evading liability.

12. When a United States District Court judge in the District of Minnesota (the "Minnesota Federal Court") awarded a default judgment in favor of Aviva against Manley ("Aviva's Minnesota judgment"), it noted Manley's belief "that compliance with the Orders of this Court is optional and that the Court is powerless to compel it to comply." Then, after MTD failed to appear at a show-cause hearing here, a United States District Court judge in this District issued a ruling finding MTD jointly and severally liable for that judgment ("Aviva's Iowa judgment").

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13. In the ensuing years, however, Aviva has been unable to enforce its judgments against MTD and other SLB Companies because of the Defendants' criminal scheme to evade judgment creditors in the United States.

14. For the same reasons, Ackelson has been unable to enforce a $912,000 judgment that she obtained in Iowa state court in Warren County in *Tammie Ackelson v. Manley Toy Direct, L.L.C.*, Case No. LACV032912 ("*Ackelson I*") brought against MTD, Aquawood, LLC (as the successor to SLB Toys), Toy Network, LLC, and another Manley affiliate (collectively the "Iowa Judgment Debtors").

15. Rather than being deterred by U.S. courts, the Defendants have been emboldened by their success in generating hundreds of millions of dollars in revenue while blocking American creditors from enforcing judgments or even investigating this criminal scheme.

16. After a deposition in 2017, for example, one of these Defendants boasted to opposing counsel that he and his confederates would always stay "at least one step ahead" of judgment enforcement efforts.

17. The Defendants' brazen corruption must be stopped once and for all.

JURISDICTION AND VENUE

18. This Court has subject matter jurisdiction over this action pursuant to 18 U.S.C. § 1964, and also pursuant to 28 U.S.C. § 1332 because the matter in controversy exceeds the sum or value of $75,000, exclusive of interest and costs, and is between citizens of different States and in which citizens or subjects of a foreign state are additional parties.

19. Ackelson brings this action to assert federal RICO claims as well as to enforce the *Ackelson I* judgment.

20. Count One is an equitable state claim seeking a judgment granting Ackelson post-judgment relief disregarding the corporate form of certain Defendants and ruling that they are

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liable to Ackelson on the *Ackelson I* Judgment. This Court has supplemental jurisdiction over Ackelson's equitable state claim pursuant to 28 U.S.C. § 1367 because that claim is so related to her federal claims that they form part of the same case or controversy.

21. The unlawful acts on which the *Ackelson I* judgment is founded occurred in Indianola, Warren County, Iowa.

22. A substantial part of the events or omissions giving rise to the RICO violations occurred in Indianola, Warren County, Iowa, and in Des Moines, Polk County, Iowa.

23. Venue is proper in this judicial district pursuant to 18 U.S.C. § 1965 and 28 U.S.C. § 1391 because Defendants are subject to personal jurisdiction in this judicial district, there is no district where all Defendants reside, and at least one Defendant resides, is found, has an agent, or transacts its affairs in this judicial district.

PARTIES

24. Plaintiff Ackelson is a resident and citizen of the state of Iowa.

The Principals

25. Defendant Chan Ming Yiu, a/k/a Samson Chan ("Chan"), is a natural person and a resident of Hong Kong.

26. Defendant Liu Yi Man, a/k/a Lisa Liu ("Liu") is a natural person and a resident of Hong Kong.

27. Defendant Brian Dubinsky ("Dubinsky") is a natural person and a resident of California.

28. Defendant Chan Siu Lun, a/k/a Alan Chan ("Alan Chan"), is a natural person and a resident of Hong Kong.

29. Defendants Chan, Liu, Dubinsky, and Alan Chan collectively are referred to in this Complaint as the "Principals."

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The Executives

30. Defendant Richard Toth ("Toth") is a natural person and a resident of Iowa

31. Defendant Michael Wu ("Wu") is a natural person and resident of California.

32. Defendants Toth and Wu collectively are referred to in this Complaint as the "Executives."

The Corporate Shell, Corporate Veil, and RICO Defendants

33. Defendant MTD a/k/a Worldwide Toy Direct, LLC is a Hong Kong corporation with its principal place of business in Hong Kong.

34. Defendant Toy Network, LLC ("Toy Network") is an Iowa company with its principal place of business in Iowa.

35. Defendant Toy Network Hong Kong ("Toy Network-HK") is a Hong Kong corporation with its principal place of business in Hong Kong.

36. Defendant MGS International, LLC ("MGS") is an Iowa company with its principal place of business in Iowa.

37. Defendant Toy Quest Ltd. is a Hong Kong corporation with its principal place of business in Hong Kong.

38. Defendant Aquawood, LLC ("Aquawood") a/k/a Epic Studios is a California limited liability corporation with its principal place of business in California.

39. Defendant Dollar Empire LLC ("Dollar Empire") is a California corporation with its principal place of business in California.

40. Defendant Banzai International Limited ("Banzai International") is a Hong Kong corporation with its principal place of business in Hong Kong.

41. Defendant Park Lane Solutions Ltd. ("Park Lane") is a Hong Kong corporation with its principal place of business in Hong Kong.

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42. Defendants MTD, Toy Network, Toy Network-HK, MGS, Toy Quest Ltd., Aquawood, Dollar Empire, Banzai International, Park Lane, and collectively are referred to in this Complaint as the "Corporate Shell Defendants."

43. The Principals and Defendants Toy Network-HK, Toy Quest Ltd., Banzai International, and Park Lane are collectively referred to in this Complaint as the "Corporate Veil Defendants."

44. The Principals, the Executives, MTD, Toy Network, MGS, Toy Quest Ltd., Aquawood, Dollar Empire, Banzai International, and Park Lane are collectively referred to in this Complaint as the "RICO Defendants."

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FACTUAL ALLEGATIONS COMMON TO ALL COUNTS

I. The SLB Enterprise Has Injured Ackelson and Other Victims

45. Like others who have been injured by the SLB Enterprise, Ackelson has endured significant hardships and suffering because the Principals place their desire to send money to Hong Kong ahead of the welfare of Americans who make their wealth possible.

46. From 2005 to 2008, Tammie Ackelson was an employee of the SLB Enterprise who worked in the Indianola call center.

47. What transpired during Ackelson's three years at the call center was a living nightmare of sexual harassment and discrimination that no woman should ever endure.

A. The SLB Enterprise Draws Significant Revenue from the U.S. Economy without Regard for the Welfare of Its American Customers or Employees.

48. The SLB Enterprise has drawn significant revenue from the United States—without regard for the welfare of Americans—by conducting business through companies based in Iowa and California.

1. The SLB Enterprise Conducts a Significant Amount of Business in the United States.

a. The Enterprise Has Conducted Business in California through MTD and Aquawood/Epic

49. The SLB Enterprise conducts a broad array of commercial activity from Los Angeles, including the design, branding, and distribution of SLB Products.

50. According to Dubinsky, Aquawood is his company and does not share common ownership with Manley or Toy Quest Ltd.

51. However, Manley, Aquawood, and Dubinsky all have shared the Los Angeles address of 2228 or 2229 Barry Avenue in Los Angeles in recent years.

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52. MTD also used this address as its principal place of business before it moved to Iowa.

53. Aquawood has gone through several formal name changes and also has used several trade names. It is now doing business as "Epic Studios."

54. Aquawood handled the logistics details for the www.toyquest.com website.

55. Several press releases on the website described Dubinsky as the "President" of "Toy Quest," "ToyQuest," or "Manley ToyQuest."

56. Press releases on www.toyquest.com have also identified Peter Magalhaes as "vice president of business development for ToyQuest" and "General Manager of North America for The Manley Group."

57. Magalhaes also has identified himself as a General Manager and Senior Vice President of Epic Studios, and he is also an employee of Aquawood.

58. Magalhaes has helped other SLB Companies, including Toy Quest Ltd. and SLB Toys, with their efforts to conduct business in the United States for many years.

b. The Enterprise Has Anchored Certain Operations in Iowa, Where It Has Conducted Business through MTD, MGS and Related Entities, including At Least One Owned by Manley.

59. By supervising the operations of companies in Iowa, including through personal visits to Iowa, Chan, Liu, and Dubinsky have conducted a substantial amount of business in Iowa throughout the 21st century.

60. The SLB Enterprise used MTD for a variety of different purposes, with an initial focus on selling SLB Products to amusement parks.

61. Chan and Liu were the sole owners of MTD.

62. In 2001, MTD moved its principal place of business from California to Iowa.

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63. From approximately 2001 to 2015, MTD was based at 1800 N. 9th Street in Indianola, Iowa.

64. The Principals, Toth, and others used the 1800 N. 9th Street address for several SLB Companies, including MTD, Toy Network, and Toy Warehouse.

65. The Principals and Toth used these companies to service certain business needs of Manley and other SLB Companies, including operating a call center for its customers (the "Indianola call center") and the Indianola warehouse.

66. Notwithstanding the fragmented corporate structure of the Iowa companies that were registered at the 1800 N. 9th Street address, all of the employees at that location worked for the benefit of the SLB Enterprise.

67. For example, employees working in the Indianola call center handled customer services calls for "Toy Quest" products that were stored in the Indianola warehouse.

68. Most of these employees understood themselves to be employees of a Hong Kong-based toy enterprise that Chan owned and operated with the assistance of Liu, Dubinsky, and various U.S.-based SLB Companies.

69. The Principals, Toth, and others closely intertwined the management, assets, and operations of these Iowa-based companies with those of the SLB Companies located on Barry Avenue in Los Angeles (collectively known to Indianola call center employees as "California" or "corporate").

70. The Principals, Toth, and others also intertwined the management, assets, and operations of these companies with those of certain SLB Companies based in the Kowloon district of Hong Kong (collectively known to Indianola call center employees as "Hong Kong").

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a) For example, Ackelson and other employees were subordinate to SLB Enterprise employee Herman Haas, who was based in Hong Kong.

b) Along with Chan, Liu, Dubinsky and various SLB Enterprise employees, Haas visited the Indianola call center and Indianola warehouse on numerous occasions.

c) Haas made clear to Ackelson that he reported to Chan who owned Manley, Toy Quest Ltd., and Toy Network.

d) Ackelson talked on the telephone with Haas on a regular basis, at least once or twice per week, about the SLB Enterprise's operation in Iowa.

e) Haas also told Ackelson that the SLB Products sold out of Indianola were sold by Toy Quest Ltd. and made or manufactured by Manley.

f) At various times Haas identified himself as an employee of Manley.

g) Haas also communicated through an e-mail address at ToyQuest.com.

71. Toy Warehouse, an Iowa company that held title to the Indianola warehouse, was a malleable corporate entity that changed ownership and purposes as needed by the SLB Enterprise.

a) Manley was the "sole member" at the creation of Toy Warehouse.

b) In May, 2002, Manley transferred the entire capital account of Toy Warehouse to Chan and Manley Overseas Ltd.

c) The Transfer Agreement for Manley was signed by Chan and a representative of Manley Overseas Ltd.

d) The May 21, 2002 "Operating Agreement of the Toy Warehouse LLC" was signed by Liu as "Director" and by Chan as "Member."

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72. According to Toth, Toy Network, which was used to market and develop SLB Products, is owned by Toy Network-HK.

73. From approximately 2000 until at least 2015, Toth served as the President of MTD.

74. Toth also was listed as the President, General Manager, principal officer and registered agent for Toy Network.

75. Through his status in the SLB Enterprise and his positions with these companies, Toth has used MTD, Toy Network, MGS, and Toy Box Limited ("Toy Box") to conduct the SLB Enterprise's business in Iowa.

76. The Iowa victims understood Toth to have authority over them, the call center supervisors, and the other employees working at the 1800 N. 9th Street address.

77. The Principals and Toth conducted MTD's business through Toy Box as well as through one or more other SLB Companies using "Toy Box" as a trade name.

78. Through Manley and Toy Quest Ltd., the Principals paid MTD for expenses including rent, payroll, accounting, storage, and shipping and handling fees.

79. At various times, MTD, Toy Network, and Toy Warehouse shared employees, customers, and various other resources.

a) Through MTD, Toth paid certain expenses to Toy Network and Toy Warehouse, including rent.

b) Through MTD, Toth allowed Toy Network to use MTD's website ManleyToy.com.

c) According to Toth, written agreements were unnecessary for these arrangements because the parties involved trusted each other.

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d) The money that Toth paid to Toy Warehouse went directly to Hong Kong bank accounts that the Principals controlled through Manley.

80. Toth now describes himself as the General Manager of MGS and the President of "Toy Box."

81. Toth also remains affiliated with Aquawood, doing business as "Epic Studios."

2. The Principals and Toth Hired and Enabled Sadistic Managers in Indianola.

82. In Iowa, as elsewhere, the SLB Enterprise's goal was to maximize profit while minimizing or avoiding the necessary costs of running a legitimate business in the United States.

83. To that end, the Principals, Toth, and others kept its operations in Iowa unencumbered by traditional obligations such as corporate formalities, developing good customer relations, or protections from what one court described as an "outrageous and hostile work environment."

84. For example, employees at the Indianola call center did not receive any harassment policy, anti-discrimination training, or even basic information about who their employers were.

85. This culture of corporate informality attracted, incubated, and was sustained by perpetrators such as Tim Downey and Steffen Hampton (the "call center supervisors").

86. The call center supervisors thrived at the Indianola call center, where they were free to degrade and harass the SLB Enterprise's customers on the basis of their sex:

a) One of the call center supervisors muttered "suck my dick" and "anal sex" to women who called to complain about SLB Products.

b) The supervisor regularly claimed that these customers "wanted" him.

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c) In the presence of his subordinates, the same call center supervisor "placed a female customer on speaker phone and told her that the only way he would send the replacement equipment she needed was if she would bark like a dog."

87. The call center supervisors did not understand the SLB Enterprise's complex organizational framework, but they relied on its ambiguity and lack of corporate formalities in order to avoid suffering adverse consequences for their oppression of the Iowa victims.

88. The Iowa Judgment Debtors not only tolerated the misogynist mistreatment of the SLB Enterprise's customers, they forced the SLB Enterprise's employees in Iowa to endure cruel and inhumane harassment and discrimination on a daily basis.

3. SLB Companies Subjected Ackelson and the other Iowa Victims to a Sexually Hostile Work Environment.

89. The SLB Enterprise's callous indifference to the welfare of Americans resulted in the SLB Companies subjecting its own employees to horrific indignities and abuses.

a. The Iowa Victims Suffered and Were Forced to Bear Witness to Extreme Sexual Harassment.

90. During the years 2005 to 2008, companies in the SLB Enterprise employed Ackelson, Robin Lynn Drake, Heather Miller, Danielle Rennenger, and Ammee Roush at a call center in Indianola.

91. A court later found that the Iowa Judgment Debtors "encouraged a sexually hostile environment" during this time by forcing employees to endure outrageous behavior by the call center supervisors.

92. The call center supervisors sexually harassed the Iowa victims by referring to them by vulgar sexualized terms.

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a) These slurs—including “Bitch,” “Whore,” “Slut,” “Sexy Tits,” “Big Boobs,” “Sweet Cheeks,” and “Cunt”—were directed at the Iowa victims on a daily or sometimes hourly basis.

b) These slurs were often yelled at the Iowa victims in connection with work-related commands, such as “Go do your invoicing, Whore!” or “Get to work, Bitch!”

93. The call center supervisors sexually harassed each of the Iowa victims with physical sexual acts such as the following (and often laughing afterwards):

a) Forcing her to sit on a supervisor’s lap and restraining her while he had an erection;

b) Trying to force her head down to a supervisor’s genital area;

c) Grabbing at and/or rubbing her buttocks, back, head, shoulders, or arms ;

d) Trying to massage her shoulders before talking to her about sex;

e) Simulating pelvic thrusts behind her when she bent over;

f) Blowing in and/or whispering in her ear or hair; and

g) Holding up money in order to encourage female employees to strip naked.

94. The call center supervisors sexually harassed female employees by asking them sexually coercive questions, such as the following questions they asked of one or more the Iowa victims:

a) Whether she liked anal sex;

b) Whether she preferred “doggie style” to anal sex;

c) Whether she was wearing a bra; and

d) Whether a supervisor could touch “just one” of her breasts.

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95. The call center supervisors sexually harassed each Iowa victim by making other demeaning comments, noises, or gestures in references to female breasts, including:

a) Threatening to pinch her nipple;

b) Making milk sucking sounds;

c) Asking if a spot on her shirt meant that she was "leaking milk";

d) Expressing a desire to see her wear clothing that revealed more cleavage;

e) Drawing pictures of female breasts in areas where the Iowa victims were forced to see them;

f) Stating that a blouse would look better "laying on my bedroom floor"; and

g) Approaching her from behind and making hand motions of massaging her breasts.

96. The call center supervisors sexually harassed the Iowa victims by subjecting them to lewd and graphic claims about their sexual activity and preferences such as:

a) Discussing the size of and uses for one's own penis;

b) Discussing having a "stench on [one's] finger for two days" after "finger banging a chick";

c) Using language like "cock into her pussy" and "hot dog in the bun" to brag about sexual exploits;

d) Declaring that the friend of one of the Iowa victims "would love this cock";

e) Professing to "love tight pussy – like a 14 year old"; and

f) Suggesting that it would be "fun" to engage in sexual intercourse with a supervisor atop the popular children's toy "Sit N Spin."

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97. The call center supervisors sexually harassed the Iowa victims by sexualizing children and adults depicted in personal photographs that they kept in their cubicles.

a) The call center supervisors drew pictures of exposed women's breasts on the Iowa victims' personal pictures, including right next to the mouth of Ackelson's newborn granddaughter.

b) One supervisor told Ackelson that her 14 year old daughter was "hot" after seeing a picture of the child in Ackelson's cubicle.

c) The supervisor then began talking about 14 year old girls having firm breasts and buttocks.

98. In addition to suffering the sexual harassment described above, each of the Iowa victims was forced to witness other female employees suffering similar if not identical abuses.

b. The Iowa Victims Were Targeted Because of Their Sex.

99. The sexual harassment suffered and witnessed by the Iowa victims was part of a pattern in which the Iowa Judgment Debtors allowed them and other female employees to be subjected to discriminatory treatment based on their sex, including:

a) allowing male employees to play games on the internet while female employees were required to work;

b) requiring female employees to carry a full work load while not requiring male employees to even answer phones;

c) allowing the call center supervisors to assign most of their work to female employees so that they could spend the majority of the work day on internet dating sites; and;

d) retaining male employees while laying off female employees.

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100. One of the call center supervisors explained to a female employee: "I keep you women to handle the bullshit jobs."

101. The call center supervisors also subjected the Iowa victims to symbols of male superiority and violence.

102. The call center supervisors also openly discussed their mutual belief that "all women are whores."

4. The Iowa Victims Filed Complaints Because the Iowa Judgment Debtors Refused to Protect Them.

103. Despite the litany of abuses suffered by the Iowa victims and other female employees, the Iowa Judgment Debtors refused to protect its own workers.

104. Notwithstanding numerous requests by Ackelson and the other Iowa victims, the call center supervisors persisted in their constant sexual harassment of or discrimination against female employees.

105. Instead of honoring these requests to stop, the call center supervisors responded with even more misogynist abuse, including the following comments:

a) "Calling you a whore should be a compliment, considering the other names you have been called"; and

b) "Why do women need to be so soft? This is why men run shit."

106. On behalf of themselves and other female employees, the Iowa victims complained to management at the Indianola call center, to "Hong Kong" and to "California."

107. These numerous complaints by Ackelson and other female employees did not result in any consequences for the call center supervisors or an end to the sexual harassment and discrimination.

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108. After one of the Iowa victims complained to "California" about the harassment, Downey screamed at her in front of many other employees: "Don't ever try to contact them again. You are nothing but sex slaves to them anyway."

109. Downey elaborated: "You think Hong Kong cares about women? They got kids working for 15 cents."

110. Trapped in a workplace in which they suffered and/or witnessed ongoing sexual harassment, discrimination, and retaliation, each of the Iowa victims suffered physical and emotional distress.

111. After the Iowa Judgment Debtors refused to address and remedy the ongoing sexual harassment and discrimination at the Indianola call center, the Iowa victims sought relief from the Iowa Civil Rights Commission and the courts.

B. Ackelson and Other Victims Have Been Denied Justice Because the SLB Enterprise Has Evaded Their Judgments Against SLB Companies.

1. SLB Companies Have Been Found Liable for Sexual Harassment and Sex Discrimination against Ackelson and other Iowa Victims.

112. In 2010, Ackelson and the other Iowa victims sued numerous SLB Companies, including Manley, Toy Quest Ltd., and the Iowa Judgment Debtors.

113. Rennenger's lawsuit proceeded to trial first. Based on the extreme harassment and discrimination described above, the jury in the Southern District of Iowa found the Iowa Judgment Debtors jointly and severally liable for millions of dollars in punitive and compensatory emotional damages.

114. In September 2015, this Court entered a judgment for Rennenger (which later was reduced to comply with the statutory cap on punitive damages available under Title VII and precedent regarding emotional damages).

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115. In September 2015, this Court also entered a consent judgment against the Iowa Judgment Debtors in favor of Roush.

116. In November 2016, consent judgments against the Iowa Judgment Debtors were entered in Iowa state court in favor of Miller and Drake.

117. After the Iowa Judgment Debtors failed to appear for a February 2017 trial date, an Iowa state court entered a default against them in favor of Ackelson. The court then entered judgment for past and future emotional distress damages, attorney fees and interest after a trial on damages.

118. The following table lists the judgments obtained by each of the Iowa victims, including the jurisdiction and amounts:

Matter	**Prevailing Parties and Amount of Judgment**
United States District Court for the Southern District of Iowa, Case No. 4:10-cv-00400 *Danielle Rennenger v. Manley Toy Direct L.L.C., Toy Network L.L.C.,* *SLB Toys USA, Inc. d/b/a Toy Quest, Toy Quest LTD, Aquawood,* *L.L.C. d/b/a Toy Quest, AW Computer Holdings, L.L.C.*	Rennenger - $1,056.000.00
Iowa District Court in and for Warren County, Case No. LACV 032912 *Tammie Ackelson v. Manley Toy Direct L.LC., Toy Network L.L.C.,* *SLB Toys USA, Inc. d/b/a Toy Quest, Toy Quest, LTD., Aquawood,* *L.L.C. d/b/a Toy Quest, AW Computer Holdings, Inc.*	Ackelson - $912,000.00
Iowa District Court in and for Warren County Case No. LACV032931 *Robin Lynn Drake and Heather Miller v. Manley Toy Direct, L.L.C., Toy Network,*	Miller - $150,000.00 Drake - $150,000.00

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L.L.C., SLB Toys USA, Inc. d/b/a Toy Quest, Aquawood L.L.C. d/b/a Toy Quest, and AW Computer Holdings, L.L.C.	
United States District Court for the Southern District of Iowa, Case No. 4:10-cv-00401 *Ammee Roush v. Manley Toy Direct L.L.C., Toy Network L.L.C., SLB Toys USA, Inc. d/b/a Toy Quest, Toy Quest LTD., Aquawood, L.L.C. d/b/a Toy Quest, AW Computer Holdings, Inc.*	Roush - $150,000.00

2. SLB Companies Have Been Found Liable for Deceptive Trade Practices and Unfair Competition.

119. In 2009, Aviva sued Manley in the Minnesota Federal Court for unfair competition, deceptive trade practices, and patent infringement. Aviva, which also sold inflatable water toys, alleged that Manley had shrunk the images of children depicted in its promotional materials to make its water slides appear larger than they actually were.

120. More than four years of litigation ensued. Manley launched a relentless campaign to obstruct discovery, hide and destroy evidence, and drive up costs.

121. Manley also blatantly defied at least seven court orders.

122. In August 2013, as a sanction for Manley's protracted and willful contempt of court and after repeated warnings, the Minnesota Federal Court ultimately awarded Aviva an $8,588,931.59 default judgment against Manley in August 2013.

123. In January 2016, the United States District Court for the Southern District of Iowa issued Aviva's Iowa judgment, which found MTD jointly and severally liable for Aviva's Minnesota judgment against Manley.

124. In March 2019, the Minnesota Federal Court further sanctioned Manley for failing to respond to Aviva's discovery requests.

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3. The Principals Keep the Enterprise "One Step Ahead" of the SLB Companies' Creditors.

125. Dubinsky has acknowledged that the Principals are very adept at moving around assets and business relationships so that their international network of corporations can continue to sell products in the United States without having any assets seized.

a. The SLB Enterprise Tricked Toys R Us, Inc. into Buying Its Products.

126. The SLB Enterprise has even played its shell game to dupe its own creditors into paying it money.

127. For years, Manley sold SLB Products, including Banzai water slides, to Toys R Us, Inc. ("TRU").

a) On July 2006, Robin Aleo, a young wife and mother, slid down one of these slides.

b) The defective SLB Product collapsed as Ms. Aleo neared the bottom, causing her to suffer fatal injuries after her head slammed against a concrete pool deck while her daughter and husband watched in horror.

c) In 2011, a jury in Massachusetts awarded Ms. Aleo's estate over $19 million in damages in a wrongful death lawsuit against TRU (the "Aleo matter").

d) TRU, in turn, spent years trying to collect money from Manley for its alleged breach of an agreement to indemnify TRU for the judgment in the Aleo matter.

128. By 2012, TRU had made an express decision not to do business with Manley, its affiliates, or the Principals. TRU wanted to limit its interactions with the SLB Enterprise solely to efforts to collect money owed relating to the Aleo matter.

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129. To fool TRU into continuing to do business with the SLB Enterprise, the Principals and Toth hid behind an intermediary and sold SLB Products to TRU using the name "Toy Box."

130. As a result of the Principals' fraudulent concealment of their involvement in sales to TRU, TRU unwittingly remitted money to the SLB Enterprise that it would not knowingly have agreed to provide to the enterprise.

b. The Enterprise has Fought Ackelson and other Judgment Creditors

131. MTD, Manley and the other Iowa Judgment Debtors have refused to voluntarily pay a penny of the millions of dollars in judgments held by the Iowa victims and Aviva.

132. To the contrary, the SLB Enterprise has vigorously fought to stop judgment creditors from collecting on their judgments by transferring businesses and assets from one SLB Company to another, pursuing vexatious litigation against creditors, and even causing one SLB Company to enter a sham liquidation.

133. Indeed, Dubinsky has bragged that the Principals "always will stay at least one step ahead of" judgment creditors.

134. To accomplish their goal of protecting the SLB Enterprise from creditors like Ackelson, the RICO Defendants have conducted a pattern of racketeering that continues to this day.

II. The RICO Defendants Conduct Business through an "Enterprise."

A. The SLB Enterprise is an Ongoing and Continuing Association in Fact that Pursues a Common Purpose, Engages in Commercial Activities, and Is Distinct from the RICO Defendants and Their Pattern of Racketeering.

135. Under the Racketeer Influenced and Corrupt Organizations Act (RICO) an "enterprise" is defined as including "any individual, partnership, corporation, association, or

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other legal entity, and any union or group of individuals associated in fact although not a legal entity." 18 U.S.C. § 1961(4); *U.S. v. Turkette*, 452 U.S. 576, 580 (1981); *Boyle v. U.S.*, 556 U.S. 938, 944 (2009). The SLB Enterprise is such an enterprise.

136. At all relevant times, the SLB Enterprise was an enterprise which (a) had an existence separate and distinct from each RICO Defendant; (b) was separate and distinct from the pattern of racketeering described in Counts I and II; (c) was an ongoing and continuing association in fact consisting of legal entities and individuals, including each of the RICO Defendants, (d) was characterized by interpersonal relationships among the RICO Defendants; (e) had sufficient longevity for the enterprise to pursue its purpose; and (f) functioned as a continuing unit. *Turkette*, 452 U.S. at 580; *Boyle*, 556 U.S. at 944 (2009). While each RICO Defendant has participated in the conduct of the SLB Enterprise (including patterns of racketeering activity), and shared in the flow of wrongfully obtained money at the expense of creditors, each has a separate existence from the enterprise.

137. The SLB Enterprise has engaged in, and its activities affected, interstate and foreign commerce because it conducted commercial activities across state and international lines, including the manufacture, export, import, sale, distribution, and shipment of the SLB Products from Asia to and throughout the U.S., and the corresponding payment and/or receipt of money from the sale of the same.

138. As described below, several of the RICO Defendants have worked together for years to promote the common purpose of making money from American buyers while minimizing or evading U.S. court judgments and other liabilities. All of the RICO Defendants now work together as an ongoing and continuous organization, sustaining the enterprise through a pattern of racketeering activity.

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B. The SLB Enterprise is Comprised of Interpersonal Relationships Between the Principals and Other RICO Defendants.

139. For over 30 years, the SLB Enterprise has sold SLB Products in the United States through a variety of corporate entities.

140. While the names of the SLB Companies have changed, the brand names of the SLB Products, including "Toy Quest," "Banzai International," and "Tekno," generally have remained the same. Over the years, these products have generated hundreds of millions of dollars in revenue from U.S. sales for more than 100,000 tons of imports. In some years, U.S. sales have totaled almost $100 million and more than 23,000 tons of imports.

141. The SLB Enterprise's highly flexible corporate framework has helped it keep much of this revenue by avoiding debts and other liabilities for years.

142. Rather than centralize its operations within a rigid and static corporate structure, the SLB Enterprise is organized and governed by the interpersonal relationships between the Principals and other RICO Defendants. Each of the RICO Defendants has had a systematic link to the others through business relationships, contractual relationships and continuing coordination of activities. Through these relationships and common communications, the RICO Defendants share information on a regular basis.

143. As described herein, the interaction and length of the relationships between and among the RICO Defendants reflects a deep level of interaction and cooperation of individuals and corporate entities working towards shared goals. The RICO Defendants have not pursued these goals in isolation but rather as a united entity, working together on multiple fronts for their mutual benefit.

144. Motivated by financial gain, the RICO Defendants coordinate to keep revenue flowing into the SLB Enterprise by cooperating to achieve three interrelated goals: (1) the

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continued movement of SLB Products into the United States; (2) a steady stream of proceeds from the United States to Hong Kong, and; (3) the vigilant protection of the enterprise from liabilities such as American creditors.

145. By virtue of payments and other consideration of value from SLB Companies, each of the RICO Defendants stands to gain financially by maximizing the amount of money that the enterprise can generate and keep from American creditors.

1. The Principals and Executives Have Close Working and Personal Relationships with Each Other.

146. Chan, Liu, Dubinsky, Alan Chan, Toth, and Wu have close working and personal relationships with each other.

147. Chan is widely understood to be the "big boss" of the SLB Enterprise.

148. Chan's son Alan Chan is close to his father and follows his orders.

149. The term "SLB" is often understood to refer to the close relationship between Samson Chan, Lisa Liu, and Brian Dubinsky, whose first initials are "S," "L.," and "B" respectively.

150. Liu is personally close to Chan and has worked for him at SLB Companies for many years.

151. Dubinsky and the Chans have closely collaborated in the operation of the SLB Enterprise for decades.

152. Dubinsky has worked closely with Liu and Toth for more than a decade.

153. Chan, Liu, and Dubinsky periodically visited the Indianola warehouse and call center to discuss the SLB Enterprise's Iowa operations with Toth.

154. Toth was hired by Chan and has reported to him since 2000.

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155. In addition to his business relationship within the Principals, Toth has a close personal relationship with Chan and Liu.

156. For a period of time, Toth's wife worked for an SLB Company and reported to Dubinsky.

157. Wu is also a longtime, close friend of Chan's and has maintained commercial relationships with him and SLB Companies for many years.

2. The Principals and Executives Treat Certain SLB Companies as Fungible.

158. The Principals and Executives have a long history of using companies as interchangeable and expendable shells in order to conceal their assets and revenue streams from courts and creditors.

159. On an as-needed basis, the Principals and Executives could fund such companies or cause them to become inadequately capitalized.

160. Thus, if an SLB company became a liability to the SLB Enterprise, the Principals and Executives could strip the company of its value while allowing the enterprise to continue realizing the benefits of the company's assets and revenue streams.

161. Through their direct and surrogate leadership roles, the Principals and Executives collectively exercised total control over each of the Corporate Shell Defendants and their assets.

162. One or more of the Principals and Executives served as an officer and/or director of one or more Corporate Shell Defendants such as Toy Quest Ltd., Banzai International, MTD, Toy Network, and MGS.

163. To ensure their control over these companies, the Principals placed their relatives, friends and other allies into leadership positions in these companies. For example, Chan's sister Chan Ngan Ngor served as "Manager" of Toy Quest Ltd. and his son Gary Chan ("Gary Chan")

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is the director of several SLB Companies, an employee of Park Lane, and has personally directed litigation on behalf of Toy Quest Ltd.

3. Even Its Most Prominent Companies Were Expendable in Order for the Enterprise to Continue Its Purpose.

164. The Principals' looting and plundering of the SLB Enterprise's flagship company exemplifies the corporate "shell game" they play in order to sustain the enterprise.

165. For many years, Manley was the most prominent company in the SLB Enterprise. In its last decade alone, Manley generated hundreds of millions of dollars in U.S. revenue by selling tens of thousands of tons of SLB Products to U.S. distributors.

166. According to corporate filings, Manley was founded in Hong Kong by Chan in 1986, and a series of affiliates and other companies controlled by Chan were formed over the succeeding years, including MTD, Manley Fashion Direct Ltd. ("Manley Fashion"), SLB Toys USA, Inc. ("SLB Toys"), Toy Quest Ltd., Aquawood, Toy Box, and, most recently, Banzai International.

167. Manley now shares a corporate parent, Teng Yue, with at least nine different companies, including SLB Companies Toy Quest Ltd., Toy Box, Genesis Industries Ltd. ("Genesis"), and Manley Fashion.

168. As described in Section III, *infra*, when Manley became a liability to the SLB Enterprise, the Principals and other RICO Defendants acted to liquidate Manley and transfer its business and assets to other Corporate Shell Defendants in order to protect the SLB Enterprise and its pursuit of selling SLB Products.

169. Similarly, the SLB Enterprise used MTD and Toy Network to operate an expansive warehouse and call center in Iowa to coordinate its U.S. business and serve as the importer of record for products destined for the U.S. market. But after MTD and Toy Network

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were found liable for damages against Ackelson and other Iowa victims, the Principals and other RICO Defendants acted to dissolve MTD and Toy Network and transfer their business and assets to other Corporate Shell Defendants in order to protect the SLB Enterprise and its pursuit of selling SLB Products.

170. Even though MTD and Toy Network nominally were gone, SLB Products continued to flow in and out of Iowa.

4. With Chan's Approval, the Other RICO Defendants and their Related Entities Work Closely Together to Keep Money Flowing to Hong Kong and Away from American Creditors.

171. Each of the RICO Defendants has played a significant role in conducting the affairs of the SLB Enterprise and each has coordinated his or her respective actions with multiple RICO Defendants.

172. All of the RICO Defendants have done so at Chan's direction and/or in accordance with his general wishes.

173. For example, in 2006, acting within his authority as a member of the enterprise, Dubinsky changed the "50-50" ownership of SLB Toys from a partnership between Chan and Liu to a partnership between Alan Chan and Liu.

174. Reporting back to Chan, Dubinsky explained that he had taken this step "because of legal issues due to Manley[…]. We don't want the same ownership in both companies. I can always add back later. If you have any issue, let me know."

175. Dubinsky later explained that the "perception" of different ownership in related companies "keeps [away] the perception that they're one in the same."

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a. The Principals Conduct the SLB Enterprise's International Business by Coordinating the Control of Closely Related SLB Companies that Are Based in Hong Kong.

176. Although the SLB Enterprise has reaped millions of dollars from the U.S. economy, it bases most of its assets and business operations in Asia.

177. In China, the SLB Enterprise operates in Hong Kong, where the Chans, Liu, and SLB Companies such as Manley, Toy Quest Ltd., Park Lane, Manley Fashion, Banzai International, Wellmax, Jun Tai, Winning, Toy Box, and Toy Network-HK are based.

178. All of these companies have operated out of the same location, a building in the Kowloon district commonly known as "Manley Towers."

179. The SLB Enterprise also keeps most of its assets in Hong Kong, where it transfers and banks revenue that it receives from its business in the United States.

180. In Hong Kong, the SLB Enterprise maintains a substantial amount of its assets at Hang Seng Bank.

181. On numerous occasions, Dubinsky, Toth, and Wu have travelled from the United States to Hong Kong in order to conduct and discuss the SLB Enterprise's business with Chan and other RICO Defendants.

182. Until March 2016, Chan was in charge of primary decision making at Manley. Chan served as its sole natural-person director from 2014 until March 2016, and was "Chairman & CEO."

183. Chan is still a shareholder of Manley's immediate parent company, Teng Yue Holdings ("Teng Yue").

184. Chan also was one of the initial directors of Wellmax.

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185. Wellmax operated out of space leased from and/or occupied by Manley, and Wellmax was listed as a named insured on Manley's insurance policy, along with Toy Quest Ltd., Aquawood, and other members of the SLB Enterprise.

186. Chan also directed the operations of MTD and Toy Network.

187. Chan, along with Liu, Dubinsky, and other members of the SLB Enterprise periodically visited Indianola to supervise the operations of MTD, Toy Network, and the other SLB Companies conducting business in Iowa.

188. Prior to March 2016, Alan Chan was Manley's "President." Alan Chan has identified himself as Manley's "manager" in numerous court filings.

189. Alan Chan serves as the director for several SLB Companies and their affiliates, including five companies owned by SLB Company Manley Overseas Ltd.

190. Through his roles in these companies, Alan Chan continues to follow his father's orders.

191. Liu purportedly became Manley's Managing Director in 2011. According to Chan, Liu was in charge of Manley's day-to-day operations, and she retained that position until shortly before Manley's voluntary liquidation proceedings began.

192. Liu is now employed by Park Lane.

193. Liu periodically visited Iowa to supervise the operations of MTD, Toy Network, and other SLB Companies.

194. Chan hired Dubinsky as Vice President of Marketing for Manley in March 1997. As the Minnesota Federal Court found, Dubinsky had been "integrally involved with Manley and Toyquest" since that time.

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195. Chan entrusted Dubinsky with increasing responsibility for managing the SLB Enterprise's affairs in the United States.

196. Dubinsky was Manley's sole employee in the United States until 1998, when he switched to being President of Manley Toys USA Ltd.

a) According to Dubinsky, he changed the name of Manley Toys USA Ltd. to SLB Toys in 2003.

b) Dubinsky has admitted that Manley Toys USA Ltd. actually is the same company as Manley.

c) Dubinsky also has admitted that those companies are the same as SLB Toys, where Dubinsky was President until the end of 2007.

197. In addition to supervising the SLB Enterprise's operations in California, Dubinsky periodically visits Iowa to supervise the operations of SLB Companies which conduct business in Iowa.

198. Dubinsky's presence in the United States enables Corporate Shell Defendants in the United States to work closely together with Corporate Shell Defendants in Hong Kong to protect the Enterprise from creditors.

b. The Principals and Executives Direct the SLB Enterprise's Business in the United States Through Interdependent American Companies.

199. As described above, the Principals use interdependent SLB Companies based in California and Iowa to conduct the SLB Enterprise's business in the United States.

200. During the time that Toth has played various leadership roles at MTD, Toy Network, MGS, and Toy Box, Wu has been the owner and President of Dollar Empire.

201. At Chan's request, Toth and Wu directed the companies that they oversaw to purchase SLB Products from other SLB Companies, including Manley and Toy Quest Ltd.

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202. At Chan's request, Toth and Wu directed the companies that they oversaw to store domestic inventory of SLB Products in SLB Company warehouses in the United States.

203. At Chan's request, Toth and Wu directed the companies that they oversaw to help the SLB Enterprise import SLB Products by serving as transshipment points and/or falsely claiming that their companies were "consignees" of other SLB Companies.

204. By 2013, at Toth's direction, MTD helped the SLB Enterprise import SLB Products into the United States from Hong Kong by allowing the SLB Enterprise to designate MTD as a recipient or "consignee" for shipments of SLB Products and serve as the importer of record. The SLB Enterprise sent SLB Products to MTD in Iowa, where they could then be distributed to actual customers in the United States.

205. In 2015, MTD moved to Des Moines Iowa, and continued to allow the SLB Enterprise to designate it as a consignee and the importer of record. MTD continued to receive products from the SLB Enterprise, which were sent on to actual customers in the United States, even after MTD ostensibly had ceased doing business.

206. After Ackelson, Aviva, and the other Iowa victims obtained judgments against MTD, Wu allowed SLB Companies, including Banzai International, to ship hundreds of tons of SLB Products with Dollar Empire listed as the recipient or consignee, starting no later than 2016. But in fact, many of those shipments were destined for Des Moines, Iowa, where the SLB Enterprise continued its operations through MGS.

C. The SLB Enterprise Has Escaped Liability in U.S. Courts by Playing "Corporate Three Card Monte" and a "Shell Game" for Many Years.

207. Central to the SLB Enterprise's business model is its ability to sell products in the United States continuously while evading American creditors.

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208. Undeterred by lawsuits, judgments, or determined creditors, the SLB Enterprise has used its common resources, including a complex tangle of interchangeable trade names and companies with overlapping addresses, accounts, and personnel, to enable the enterprise to simultaneously earn profits in the United States without being subjected to the consequences of U.S. judgments.

209. As a judge in the United States Bankruptcy Court for the District of New Jersey (the "Bankruptcy Court") acknowledged with reference to Manley's petition for recognition of its voluntary Hong Kong liquidation,[1] Manley's "actions in various courts in the United States appear to have been improper."

210. Moreover, the Minnesota Federal Court has noted that Chan, Liu, and Dubinsky have featured in several "alarming" communications over the years that demonstrate their willingness to hide, destroy, and falsify documents "to avoid and thwart litigation."

1. To Evade Creditors, the Enterprise Changes Company Names, Destroys Evidence, and Commits Other Deceitful Acts.

a. The Enterprise Has a Modus Operandi of Replacing One SLB Company with Another in Name Only.

211. The SLB Enterprise thrives on a modus operandi of replacing one SLB Company with another in name only.

212. For example, the SLB Enterprise dissolved SLB Toys in 2006 and immediately replaced it with Aquawood.

213. The purpose of replacing SLB Toys with Aquawood was not due to a change in location, employees, or business purpose.

[1] The Bankruptcy Court ultimately decided to recognize Manley's liquidation in Hong Kong pursuant to 11 U.S.C. § 1501 *et seq*., meaning that the Bankruptcy Stay will remain in place unless and until further action is taken by the Bankruptcy Court or an appellate court. That recognition decision has been affirmed by the United States District Court for the District of New Jersey; Aviva has stated that it intends to appeal that recognition ruling.

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214. Rather, the SLB Enterprise transferred business and assets to Aquawood in order to evade a U.S. judgment that the toy company Wham-O, Inc. had obtained against SLB Toys.

215. Even though SLB Toys had been replaced in name by Aquawood, the same employees continued to operate out of the same offices and performed the same role in helping the SLB Enterprise selling SLB Products in the United States.

216. As one former employee of two SLB companies would later testify, "When I inquired as to why the formal name of the company was being changed, I was told by [a manager] that the company was being sued so changing the name would permit them to continue to conduct business."

b. The Enterprise Conceals, Falsifies and Destroys Evidence in Order to Avoid Lawsuits.

217. In order to avoid lawsuits, the SLB Enterprise conceals, falsifies, and destroys evidence.

218. For example, in 2006, Manley personnel expressed concern about which address should be placed on SLB Products sold under other names, including "Toy Quest," because "[l]awsuits will chase to the address." Dubinsky responded that the companies should not use the Hong Kong address, and Chan and Dubinsky ultimately decided not to use any address.

219. Shortly thereafter, Liu emailed Dubinsky to recommend a cover-up that would save money on royalty payments to Six Flags, noting that "we should change all the description to no six flag. in that cans [sic] if six flag come and audit they search nothing from the computer record." Dubinsky responded that "I told u guys to prepare a fire for all the documents . . . seriously . . . also, destroy [SLB Enterprise employee's name] notes and contact information."

220. Several months later, while e-mailing Chan about lawsuits against various SLB Enterprise companies, Dubinsky asked "[i]s it possible to make up a shipping invoice[?] . . . .

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Don't worry, I promise you wont get deposed this time . . . I am much smarter now . . . ." In response to Chan's concern about whether MTD had sent shipments during the relevant time period, Dubinsky said that "[t]hey did not . . . . I have to make it up," but he reassured Chan, "Don't worry, it wont turn to any issue—I have already thought it through—as they cant check mtd records or subpoena."

c. Lawyers and Law Firms Have Protected the Enterprise through Sham Litigation.

221. Alan Chan, Dubinsky, and Aquawood have helped the SLB Enterprise keep assets away from creditors by utilizing attorneys and law firms willing to advance sham positions and litigation for the right price.

222. The Minnesota Federal Court found, for example, that Manley's attorneys "too often acted as passive conduits of Manley's indefensible positions and statements… [and] on occasion compounded Manley's misguided behavior with their own."

223. Monte Mann is an attorney at Novack & Macey LLP ("Novack"), which is a law firm based in Chicago, Illinois.

224. Novack has shielded the SLB Enterprise from American creditors for many years. Novack, and Mann in particular, has represented Manley, Toy Quest Ltd., and Aquawood in multiple actions across the country over the years.

225. Dubinsky has often acted as a "legal consulting agent," "litigation representative," and U.S. contact person for SLB Companies in such litigation.

226. Alan Chan has also directed litigation on behalf of the SLB Enterprise.

227. Chan has coordinated these litigation activities with members of the enterprise including Alan Chan, Dubinsky, and a person who has hidden behind the fictitious identity of "Gary Swerdlow" in a sworn court filing.

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228. By abusing legal process to further ulterior and nefarious purposes, these individuals have protected the SLB Enterprise from being held accountable for the misconduct those whom it has enriched.

2. U.S. Courts Have Begun to See through the Enterprise's Charade.

229. In recent years, courts have taken note of the SLB Enterprise's maneuvers to evade liability.

230. As noted in a 2009 complaint filed against Manley for unpaid legal fees by the attorney who represented Manley in the Wham-O case, a federal district judge in California who was presented with limited evidence of the enterprise's corporate maneuvering described it as a "shell game."

231. In 2015, U.S. District Judge for the Southern District of Iowa recognized the same "shell game" being played by MTD and other members of the SLB Enterprise in civil rights litigation brought by one of the Iowa victims.

232. That same year, an appellate court presiding over a related case brought against Manley and Toy Quest Ltd. in Iowa state court concluded that:

> [Manley and Toy Quest Ltd.], their related companies, and the interrelated management of these companies are engaged in ***corporate entity three-card monte*** for the sole purpose of evading service of process and evading potential liability for their conduct . . . The principals and owners of the related companies are largely the same. As found by the district court in the related federal case [in the Southern District of Iowa], 'There is no dispute that many, if not all, of the defendant corporations are closely related, and that many of the same individuals are involved in their ownership and daily management…. It also is clear that the corporations use many of the same employment forms and documents, transfer employees back and forth, and perform both activities in a lackadaisical fashion.

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233. Taking note of how the Defendants have abused the corporate form to avoid answering to U.S. courts, the Minnesota Federal Court found no "meaningful distinction" between Manley, Toy Quest Ltd., and Aquawood.

234. The Minnesota Federal Court accepted Aviva's argument that the conduct of Manley's U.S.-based advertising designers should be attributed to the company, even though the company asserted that designers Rachel Harris and Peter Kallemeyn were not employees of Manley:

> Manley has previously attempted to diminish the value of Harris's and Kallemeyn's testimony by asserting that they are not Manley employees, but rather employees of an entity known as Aquawood. Harris, however, testified that she worked for Manley, Toyquest or possibly Aquawood—using the names interchangeably. Kallemeyn believed he worked for Toyquest, but that Toyquest was owned by Manley. Kallemeyn explained that the employees "didn't have a full understanding of what was . . . really going on with all the different names and such." Kallemeyn Dep. 93:14-17. It is evident that not even the employees of the company were aware of any meaningful distinction between the various entities. Nor does there appear to be any meaningful distinction. For example, some documents identify Samson Chan as the president of Manley, while others identify Mr. Chan as the president of Toyquest. Other documents, however, identify an individual named Brian Dubinsky as the president of Manley, while yet others identify Mr. Dubinsky as the president of Toyquest. Dubinsky stated in one of his declarations that "ToyQuest is a d/b/a of Aquawood." Dubinsky Decl. ¶ 2 (ECF No. 134). But Aviva has shown, and this Court has already determined, that Toyquest is actually a division of Manley. *See, e.g.*, November 24, 2010 Order (ECF No. 250). Manley owns the Toyquest mark and included images of Banzai products to support its trademark application. Manley and Toyquest have also provided on numerous occasions identical addresses in California and in China, and appear to even be insured under the same insurance policy (as is Aquawood). The record also suggests that Aquawood's sole source of financing is Manley in China: Manley pays Aquawood's bills.

235. When denying MTD's motion to set aside Aviva's judgment against MTD, a federal district judge in Iowa was "trouble[d]" by "the indicia of bad faith" by the enterprise's

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conduct, including "troubling evidence of potential destruction and/or falsification of evidence" as well as evidence that the enterprise "changes corporate names whenever it incurs a significant debt or judgment against it."

III. The RICO Defendants' Criminal Activity Has Sustained the SLB Enterprise.

A. The RICO Defendants Have Enriched the SLB Enterprise Illegally while Injuring Ackelson and Others.

236. The SLB Enterprise depends on its ability to conduct business throughout the United States through its operations in Iowa and California.

237. In order to protect its operations in Iowa and California, the RICO Defendants have committed numerous federal crimes that have enriched the SLB Enterprise with money that rightfully should have gone to American creditors who were not controlled by members of the enterprise (the "independent creditors"), including Ackelson.

238. Individually and collectively, these crimes have enabled the SLB Enterprise to maintain its Iowa operations while depriving Ackelson of her ability to collect on the *Ackelson I* judgment by unlawfully blocking her ability to identify and seize assets.

239. These crimes also have caused Ackelson to suffer additional damages, including the costs of litigation.

B. Defendants Have Conspired to Keep Assets from Independent Creditors by Propagating Lies, Material Omissions and False Narratives about the Assets and Operations of SLB Companies.

1. Defendants Have Coordinated to Help the SLB Enterprise Evade Liabilities and Cheat Independent Creditors Like Ackelson.

240. In the face of mounting judgments and other liabilities arising from the SLB Enterprise's unethical business practices, Defendants conspired to hide the SLB Enterprise's assets from independent creditors. Their plan was expansive, complex and dynamic, spanning

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multiple continents and states and involving numerous businesses engaged in interstate and foreign commerce.

241. To carry out their plan, Defendants promulgated a series of false narratives designed to mislead customers, creditors, and court into believing that SLB Companies, including MTD and Manley, had few if any assets and business and were unable to pay their respective creditors.

242. As complex as this scheme was, its overarching and unlawful goal was simple: to continue doing business in Iowa, California, and elsewhere in the United States by depriving independent creditors of money they were due.

2. Defendants and Manley Bled the Iowa-based SLB Companies of Assets to Ensure that Judgments Against Them Could Not Be Satisfied

243. Once Ackelson and the other Iowa victims sued the Iowa Judgment Debtors, Defendants took steps to cheat them by making the SLB Enterprise's operations in Iowa appear to be judgment proof.

244. In June 2016, as independent creditors such as Aviva and some of the Iowa victims continued to obtain judgments against MTD, MTD dissolved.

245. This dissolution was the calculated result of a carefully planned judgment evasion scheme designed to defraud independent creditors like the Iowa victims.

246. By playing its corporate "shell game" in Iowa, the SLB Enterprise has been able to continue its operations in Iowa without having to pay Ackelson and other independent creditors what they are owed.

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a. The SLB Enterprise Defrauded Ackelson and MTD's Other Creditors by Liquidating Assets for the Benefit of Manley While Forcing MTD and Toy Network to Dissolve.

247. As the Iowa victims pursued their respective cases, the Principals decided that Toy Network would stop selling amusement park and carnival novelty toy products and would instead help protect the SLB Enterprise from judgments against MTD.

248. Thus, in 2013, Toy Network sold off its amusement park and carnival novelty toy product inventory.

249. The Principals, Toth, Toy Network, and others sent the proceeds from this sale, totaling $1.3 million from Iowa to Manley in Hong Kong.

a) A portion of these proceeds was wired from Iowa to Manley's Hang Seng Bank account on May 17, 2013.

b) The remainder of the $1.3 million was wired from Iowa to Manley's Hang Seng Bank account on August 9, 2013.

250. The Principals and Toth then forced MTD to cease its business of selling toy products to retail chains by transferring MTD's assets and business operations to Toy Network.

251. In January 2015, with the Iowa victims' trials approaching, the Principals caused Toy Warehouse to sell the Indianola warehouse for more than $6.1 million.

252. On January 8, 2015, in order to ensure that this money could not be used to satisfy judgments obtained by the Iowa victims, Alan Chan wired building sale proceeds of $6,198,456.10 from Iowa to Manley's Hang Seng Bank account in Hong Kong.

253. The January 8, 2015 international wire transfer from Iowa to Manley's account in Hong Kong belied Alan Chan's false statements to Iowa courts that Manley did "not own property in the United States or in the State of Iowa," did "not derive revenue from services

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rendered in Iowa," "never maintained any bank accounts or assets… or financial interest in Iowa," and "never owned, rented or leased property in Iowa."

254. Several months later, the SLB Enterprise moved MTD and Toy Network from Indianola to Des Moines, Iowa.

255. To defraud independent creditors, MTD later falsely claimed that it never operated in Des Moines.

a) For example, MTD told a federal court in Iowa that it had never conducted business at 700 New York Ave., Des Moines and thus could not have been served there.

b) MTD sought to vacate Aviva's Iowa judgment against it on that basis.

c) But in fact, MTD received shipments at 700 New York Avenue, Des Moines which were sent from both Manley and Toy Quest Ltd.

d) Record show that between April 2015 and July 2015 alone, MTD received at least a dozen shipments at that address, belying MTD's statements to this Court.

256. Shortly after MTD and Toy Network moved to Des Moines, they purposely ceased to do business altogether.

257. In their place arose MGS.

b. MGS Was Created to Deprive Ackelson and the Iowa Victims of Their Ability to Collect on Judgments against the Iowa Judgment Debtors.

258. The SLB Enterprise created MGS for the purpose of protecting the enterprise from any judgments obtained by the Iowa victims. MGS was designed to take over business from Toy Network just as Toy Network had taken over business from MTD.

259. On March 9, 2015, MGS filed its Certificate of Organization in Iowa.

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260. At that time, MGS had notice of the judgments and/or pending actions against the Iowa Judgment Debtors brought by Ackelson and each of the Iowa victims.

261. MGS continued selling to the same retailers in the U.S. and the same toy product brands and personnel groups in Hong Kong that Toy Network was dealing with when it purportedly closed and MGS has substantially continued the business of Toy Network, which itself had substantially continued the business of MTD.

262. MGS opened for business at 700 New York Avenue, Des Moines, Iowa, the same premises used by Toy Network when it purportedly closed.

263. MGS opened for business using the same workforce that Toy Network was utilizing when it purportedly closed

264. Toth was the General Manager of Toy Network when it purportedly closed and became General Manager of MGS when it opened business shortly thereafter, making him the highest level U.S. employee of MGS.

265. When MGS opened business its employees performed the same job tasks and duties under substantially the same working conditions as they had for Toy Network when it purportedly closed.

266. MGS opened for business using the same equipment and other assets and the same work methods and strategies that Toy Network used when it purportedly closed.

267. MGS handled the same types of toy products and provided the same types of services when it opened for business as had Toy Network when it purportedly closed.

268. When MTD and Toy Network filed Statements of Dissolution with the Iowa Secretary of State in 2016, they failed to follow the rules related to the winding up process.

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269. Through all of these changes, Toth has retained his place and title in the SLB Enterprise, managing its day-to-day operations in Iowa.

270. The impact of these changes has been to cheat Ackelson and other independent creditors of money that they are owed.

271. Since the Iowa victims have obtained their respective judgments, the Iowa Judgment Debtors have not provided them any relief.

3. Various Members of the SLB Enterprise Conspired Together to Maintain the SLB Enterprise's Control of Manley's Assets and Business Using Defendant Toy Quest Ltd.

272. Just as the Principals transferred MTD's assets and business operations to Toy Network and then MGS in order to cheat MTD's independent creditors, the Principals cheated Manley's independent creditors by transferring Manley's assets and business operations to Toy Quest Ltd. and then Banzai International.

273. Before the Minnesota Federal Court entered judgment for Aviva, Manley used the trade names "Manley Toys Ltd.," "ToyQuest," "Toy Quest," and "Toy Quest Ltd." interchangeably.

a) For example, Manley filed a registration for the "ToyQuest" trademark in 2008, stating that it had been using the mark since 1996. As part of its trademark application, Manley included several "specimens" showing its use of the "ToyQuest" mark, including invoices, packing lists, and other form documents reflecting the "ToyQuest" and "Toy Quest Ltd." names. Some of these documents explicitly identified Toy Quest as a "Division of Manley."

b) Likewise, Manley promoted its products on the website www.toyquest.com. A 2006 press release from www.toyquest.com stated

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that "Manley ToyQuest" was ranked the seventh largest toy manufacturer in the United States.

274. In 2013, faced with the specter of tens of millions of dollars of liability arising from litigation, including Aviva's $8.5 million judgment, the Principals and their agents decided to use the trade name "Toy Quest Ltd." to exploit the existence of a separate SLB Company—Defendant Toy Quest Ltd.

a) Defendant Toy Quest Ltd. was incorporated in Hong Kong in 1993 as "Manley Fashion Limited." It changed its official name several times over the next ten years, and ultimately emerged as the company called Toy Quest Ltd. in 2004.

b) Prior to 2013, Defendant Toy Quest Ltd. had almost no sales in the United States, while Manley sold tens of millions of dollars of products annually, including products sold using Manley's "ToyQuest" and "Toy Quest Ltd." trade names.

c) In 2013, the Principals and their agents abruptly and drastically reduced Manley's use of the trade name "Manley," suddenly converting almost exclusively to the trade name "Toy Quest Ltd." to confuse retailers, hide Manley's assets and operations, and defraud independent creditors.

275. As part of their fraudulent scheme, the Principals and their agents, including Toy Quest Ltd., made false claims to courts, retailers, and others about the nature of the business being conducted under its "Toy Quest" and "Toy Quest Ltd." trade names, including which SLB Company was the seller, creditor, and/or debtor in specific transactions.

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276. These material misrepresentations enabled members of the SLB Enterprise to seize and keep Manley assets even after the Bankruptcy Court issued an Order Granting Provisional Relief and Setting Further Hearing (the "Bankruptcy Stay"), which prohibited all attempts to seize Manley assets.

a. Members of the SLB Enterprise Instructed Retailers to Stop Using the "Manley" Name and to Use the "Toy Quest Ltd." Trade Name Instead.

277. Between 2013 and 2015, as part of the Principals' scheme to defraud independent creditors by conducting Manley's business under the "Toy Quest Ltd." trade name, members of the SLB Enterprise communicated by interstate mail, email, facsimile, and telephone calls with at least nine different retailers in the course of conducting interstate or foreign commerce.

278. In particular, members of the SLB Enterprise caused numerous emails and electronic communications to be sent to such retailers to change the vendor name in their systems from "Manley" to "Toy Quest Ltd."

279. For example, between 2014 and 2016, Defendant Liu caused numerous letters to be sent by either mail or wire transmission from Hong Kong to retailers in the United States. These letters, which Liu signed on behalf of "Toy Quest Ltd.," advised the retailers that "an additional or change of vendor name is needed in your system" from "Manley Toys Ltd." to "ToyQuest Ltd."

280. The letters went on to claim that "ToyQuest Ltd. products and toys have been in the USA market place overt [sic] the last 18 years and sold in all the major USA retailers under the ToyQuest Ltd vendor."

281. That statement was false. In fact, as Toy Quest Ltd., Liu, and the other Principals well knew, over the preceding 18 years, Toy Quest Ltd., unlike Manley, had not sold

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"ToyQuest" brand products in the U.S. marketplace and to U.S. retailers at all, let alone for the past 18 years.

282. Members of the SLB Enterprise directed several other retailers, including Target, Costco, Bed Bath & Beyond, Big Lots, and Michaels, to switch from the name "Manley" to the name "Toy Quest."

b. Despite the Vendor Name Changes, the SLB Enterprise Retained the Same Employees, Products, Contact Information and Customers.

283. Although the vendor names have changed, nothing else has. The same employees have been selling the same products to the same customers out of the same offices in Hong Kong, then shipping them to the same locations in Iowa. In order to hide assets and defraud creditors, however, the SLB Enterprise used subterfuge to confuse vendors, creditors, and even its own employees about which company was conducting business at any given moment.

284. Manley representatives assured many of its customers that the switch from "Manley" to "Toy Quest Ltd." was in name only.

285. For example, in May 2014, a Manley representative introduced himself to the retailer Big Lots as "Anthony from Toy Quest (Manley)." A month later, he emailed Big Lots to request a vendor name change from "Manley Toys Ltd." to "Toy Quest Ltd.," but noted that the "address and contact will remain the same."

286. A few months later, in August 2014, Gary Dillman, a vendor representative for Manley and Toy Quest Ltd., sent an email to Costco advising that:

> Manley has a new name. It is now known as TOYQUEST LTD. This was change as all Banzai product are now sold by TOYQUEST LTD. The programs and all vendor details, addresses, etc are the same. Only the name change to TOYQUEST LTD.

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287. A Costco representative later observed that "Manley" and "Toy Quest Ltd." did in fact share the same personnel, mailing addresses, email addresses, and vendor contacts, all with email addresses ending in "manley.com.hk."

288. The vendor change form Manley submitted electronically to the retailer Michaels in September 2014 likewise listed the same address for "Toy Quest Ltd." as for "Manley Toys Limited," and the same individuals were listed as the export and shipping managers. Those individuals continued to be Manley employees through March 2016.

289. Similarly, Michael Leddy, a U.S. representative of Manley located in Maryland, facilitated sales of Manley products to agents for multiple customers, including K-Mart in Illinois and Dollar General in Tennessee. After the Principals decided to use the "Toy Quest Ltd." trade name for Manley sales, Leddy coordinated sales to the same buyers' agents, but claimed to be working on behalf of "Toy Quest Ltd."

290. Manley employees continued to use "Manley" and "Toy Quest Ltd." interchangeably. For example, the subject line of a November 2014 email from Gary Wong to Seventh Avenue referred to a purchase order for "Toy Quest Ltd (Manley Toys . . .)." Wong introduced himself as "Gary Wong from Toy Quest Ltd," but used a Manley email address, garywong@manley.com.hk, and his signature block identified him as a Manley employee.

291. Multiple Manley employees also signed their emails in 2013 and 2014 on behalf of both "Manley Toys Ltd." and "Toy Quest Ltd.," or even on behalf of "Manley Toys Ltd. / Toy Quest Ltd."

292. Yet in sworn court filings in Iowa and other jurisdictions, however, Defendant Toy Quest Ltd. stated that it had "no employees" and was a different company from Manley altogether.

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293. Moreover, for some licensed products, only Manley was authorized to sell the products in the United States, yet retailers were instructed to place orders for the products with "Toy Quest Ltd." rather than Manley.

294. For example, only Manley and Aquawood were authorized in 2013 and 2014 to sell Crayola products in the United States, and those rights were not assignable. Nevertheless, Manley employees doing business using the "Toy Quest Ltd." trade name accepted multiple orders for Crayola products from Dollar General Corp. ("Dollar General") and Big Lots.

295. Manley also continued to fill "Toy Quest Ltd." orders up until shortly before Manley's liquidation.

296. In November 2014, Michaels placed a series of orders that Manley initially acknowledged and began to fulfill under its own name before cancelling the orders and reissuing invoices and packing slips—with the same invoice numbers, purchase order numbers, and dates—in the name of "Toy Quest Ltd." The invoices also list the identical physical address, telephone number, fax number and "@manley.com.hk" email addresses for "Toy Quest Ltd." as for Manley, and identify "Toy Quest Ltd." as "a division of Manley."

297. In addition, prior to Manley's liquidation, Manley continued to be listed on purchase orders as the ultimate payment beneficiary for many transactions, despite the SLB Enterprise's increasing use of the "Toy Quest Ltd." name with retailers.

298. For example, Dollar General issued purchase orders dated February 18, 2013 and June 27, 2013 that listed "Toy Quest Limited" as the "Vendor," but identified "Manley Toys Ltd" as the "Beneficiary" and provided that payment be sent "Direct to Beneficiary."

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299. Seventh Avenue also received invoices from both "Manley" and "Toy Quest" through 2014 but continued to make all payments through irrevocable letters of credit that named "Manley Toys Limited" as the sole beneficiary.

c. Members of the SLB Enterprise Deceived Retailers to Generate a False Paper Trail.

300. Defendants' fraudulent scheme to exploit the "Toy Quest Ltd." trade name to conceal Manley sales worked largely as planned, resulting in (a) the creation of false records that Defendants knew were materially false but would be relied upon by courts, creditors, and Manley's liquidators in Hong Kong (the "Liquidators"), and (b) retailers directing payments to Defendant Toy Quest Ltd. that really were due to Manley or its creditors.

301. The purpose of this scheme was to impede collection efforts, cause Manley's creditors and Liquidators to think that receivables were not actually owed to Manley, and, ultimately, to deprive independent creditors of money.

302. A series of transaction documents concerning a single Seventh Avenue purchase in late 2014 and early 2015 illustrates the false narrative Defendants were attempting to create.

a) Seventh Avenue issued the purchase order to "Toy Quest Ltd (Manley Toys)."

b) The invoice and packing list were issued on "Manley Toys Ltd." letterhead and the invoice was executed "For and on Behalf of" "Manley Toys Ltd.," but the packing list was executed by "Toy Quest Ltd."

c) And while the cargo receipt for the purchase order listed the shipper as "Manley Toys Ltd.," the express release form listed the shipper as "Toy Quest Ltd."

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d) Defendants' scheme was designed to create a false record so that, if Seventh Avenue ever were garnished or otherwise subject to execution for judgments against Manley, the SLB Enterprise could hide behind the "Toy Quest Ltd." name and assert spurious objections to collection.

303. Purchase orders from retailers Dollar General and Big Lots similarly show the sudden shift from the "Manley" name to the "Toy Quest Ltd." name that Defendants orchestrated shortly after Aviva's Minnesota judgment was entered against Manley in August 2013.

a) Before that time, Dollar General placed more than 70 orders with "Manley" and none with "Toy Quest Ltd." But in the two years after the judgment, Dollar General placed more than 30 orders with "Toy Quest Ltd." and only two with "Manley."

b) Similarly, Big Lots placed hundreds of orders under the "Manley" name in the beginning of 2013, and continued to place orders primarily under the "Manley" name until May 2014. After that point, Big Lots placed orders exclusively under the "Toy Quest Ltd." name, even though it was buying exactly the same items it had been buying from "Manley."

304. This switch in name allowed Defendants to deceive retailers, creditors, and Manley's Liquidators into believing that money due to Manley was instead due to a separate company, Defendant Toy Quest Ltd.

305. As a result, multiple retailers that purchased millions of dollars of products from Manley subsequently paid Toy Quest Ltd. millions of dollars in exchange for those Manley products.

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d. Defendants Fraudulently Recorded Manley Sales as Toy Quest Ltd. Sales to Mislead Creditors and Manley's Liquidators.

306. The SLB Enterprise's records demonstrate that Defendants fraudulently recorded Manley sales using the "Toy Quest Ltd." name as sales by Toy Quest Ltd. and other SLB Companies, thereby generating false financial documents that Defendants could pass on to Manley's Liquidators.

307. As shown by the solid red line in the graph below, according to Manley's internal financial documents—which Defendants knew would be available to and relied on by Manley's Liquidators—Manley's sales dropped precipitously throughout 2013, at the same time as multiple massive judgments were entered against Manley.

308. However, as discussed above, Manley's sales did not really plummet in 2013. Rather, the SLB Enterprise simply stopped recording sales under the "Manley" name.

309. The Principals and Toy Quest Ltd. directed the enterprise to falsely record the Manley sales as sales by other SLB Companies, such as Toy Quest Ltd.

310. As shown by the blue line in the graph below, those companies went from having zero sales to a projected $40 million in sales in less than two years. (The dotted portion of the blue line is derived from data contained in Manley's insurance applications, in which Defendants provided information about total annual U.S. sales for all named insureds, including Toy Quest Ltd.)

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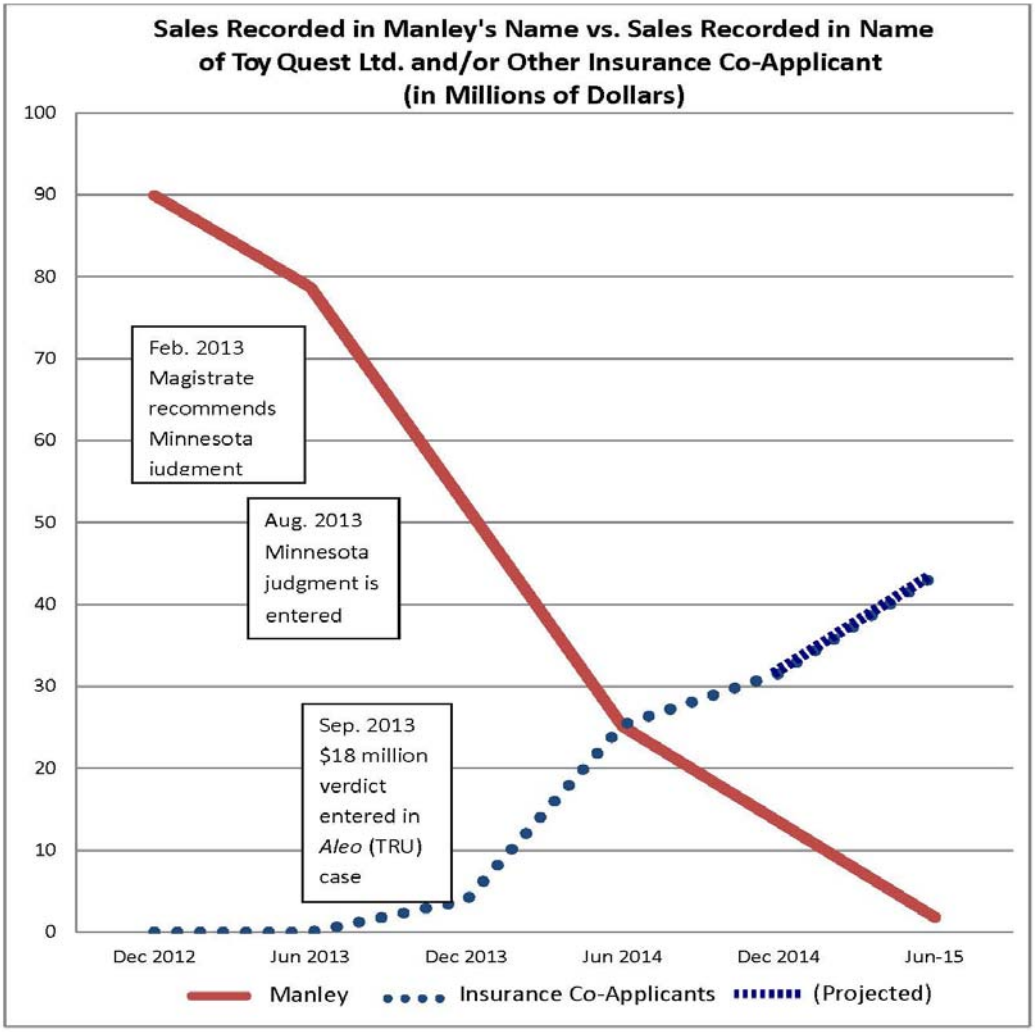

4. The Principals Established Park Lane to Defraud Independent Creditors.

311. On February 29, 2016, less than a month before liquidating Manley, the Principals formed Park Lane, another SLB Company that operates in Manley Towers, one floor away from where Manley used to be.

312. The Principals created Park Lane to drain Manley of resources and assume possession of Manley's documents, thereby keeping those resources and documents away from Manley's creditors and Liquidators but within the control of the SLB Enterprise.

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313. On or about March 17, 2016, the SLB Enterprise reassigned nearly all of Manley's employees to identical positions at Park Lane. Defendants Liu and Alan Chan, for example, hold the same positions at Park Lane that they held at Manley—"managing director" and "manager," respectively.

314. Park Lane employees continued to sell the same Manley products to the same Manley customers, using their @manleyservices.com.hk email addresses.

315. Those same employees lied to retailers and other customers of the SLB Enterprise, sometimes claiming to represent Toy Quest Ltd. and other times claiming to represent Park Lane, depending on which audience the employees appeared before.

316. Many of those employees continue to sell the same products to the same customers to this day.

5. The SLB Enterprise Continues to Conduct Business with the Same U.S. Retailers While Avoiding the Judgments of U.S. Courts.

a. In 2016, the SLB Enterprise Began Selling Manley Products Through Banzai International.

317. In 2016, the SLB Enterprise started using yet another company, Banzai International Ltd., to make it easier to continue evading independent creditors like Ackelson.

318. Like "Toyquest" and "Toy Quest Ltd.," "Banzai" was a registered trademark of Manley. "Banzai" also was the name of one of Manley's leading toy lines. Manley's deceptive marketing for its "Banzai" products formed the basis of the allegations in the lawsuit that led to Aviva's judgment against Manley.

319. Import records show the shift from "Toy Quest Ltd." to "Banzai International Ltd."

320. For example, between January and May 2016, Defendant Dollar Empire received over one hundred shipments—weighing a total of more than 860 tons—from "Toy Quest Ltd."

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Starting in December 2016, however, Dollar Empire no longer received shipments from "Toy Quest Ltd." and instead began to receive shipments from "Banzai International Ltd." Many of these shipments from "Banzai International Ltd." contained exactly the same products—often using the same names and packaging—as prior shipments from "Toy Quest Ltd."

321. The last imports of "Toy Quest Ltd." to the United States were in August 2016, around the same time that Toy Quest Ltd. supposedly sold its assets to Banzai International.

322. Banzai International, on the other hand, is still importing thousands of tons of Banzai products to the United States, including more than 1,290 tons of merchandise in 2018 and more than 439 tons of merchandise in just the first two months of 2019.

323. The instruction manuals of many of the "Banzai" products currently listed on www.banzaifun.com still identify those products as "Toy Quest" products, and many of the products were previously imported to the United States by "Toy Quest Ltd." Before that, the products were sold by Manley as "Manley," "Toy Quest" and "Banzai" products (using trade names that belonged to Manley).

324. For example, in 2013 and 2014, the Banzai brand "Speed Curve Water Slide" was sold to retailers such as Big Lots using the "Manley" name. That same toy is now being imported to Dollar Empire and others by "Banzai International Ltd." and is advertised on the website www.banzaifun.com, but still has an instruction manual containing a "Toy Quest" logo.

b. The SLB Enterprise Now Sells Manley Products Through Additional Trade Names Such as Genesis.

325. To evade creditors, the Principals, various Corporate Shell Defendants, and other members of the enterprise have sold Manley products other than Banzai using a series of trade names.

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326. Tekno (sometimes Teksta) robots, for example, were originally sold under the "Manley" name and then the "Toy Quest" name, and now are sold under the name "Genesis."

327. The "Manley Toy Quest Corporation" first registered the "Tekno the Robotic Puppy" mark in 2001. Shortly before that mark was cancelled in 2008, Manley itself filed to register the mark "Tekno" for use with "robotic toy dogs." The owner's manual for the original Tekno the Robotic Puppy identified it as a Manley Toy Quest product.

328. The "Manley" name now has been stripped from all Tekno brand products.

329. Instead, Defendants shifted those products to the "Toy Quest" name, and then to the "Genesis" name, as evidenced by the instruction manuals for Tekno products.

330. Approximately half of the instruction manuals on www.tekno-robotics.com (the current website for Tekno products), including the instruction manual for Tekno the Robotic Puppy 4.0, identify the products as "Toy Quest" products. The other half of the instruction manuals, including the instruction manual for Tekno the Robotic Puppy 5.0, identify the products as "Genesis" products. (The website www.genesis-toys.com, which has the same logo as the instruction manuals, contains pages for all Tekno/Teksta products, including Tekno the Robotic Puppy 4.0 and 5.0.)

331. A July 2016 press release for Tekno Newborns states that the Tekno "franchise" belongs to Genesis, quotes Magalhaes, and directs inquires to press@epic-studios.com.

332. The SLB Enterprise continues to export hundreds of tons of Tekno products to the United States, often without bothering to list a "shipper."

333. When the SLB Enterprise does include a shipper, it now uses the name "Genesis Industries."

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334. These are the same product lines that the SLB Enterprise used to sell using the name "Manley."

6. To Stay "One Step Ahead" of Creditors, the Principals Continue to Strip Corporate Shell Defendants of Assets That Could be Used to Satisfy Judgments Against Them.

335. The SLB Enterprise's fraudulent conduct with respect to independent creditors like Ackelson has been so brazen that Defendant Dubinsky openly bragged about it to one of these creditors even as it was attempting to enforce a judgment against an SLB Company.

a) On September 7, 2017, after being deposed in Los Angeles, Dubinsky declared to Aviva's counsel that Aviva had no chance of recovering anything of significant value from the Chans, their companies, or Dubinsky himself.

b) Dubinsky boasted that he, the Chans, and their various companies would always stay at least "one step ahead of" Aviva.

c) Dubinsky further explained that the enterprise is very adept at moving around assets and business relationships so that its companies can continue selling products in the United States without having any assets seized.

d) As an example of the SLB Enterprise's skill at using corporate shells to hide the true source of their products, Dubinsky bragged about the enterprise's success in tricking TRU into selling SLB Products even though TRU had decided to sever its business relationship with Manley, its affiliates, Dubinsky, and the Chans.

e) Dubinsky boasted that by selling what he called "my toys" through an entity that appeared unrelated to Manley and the Principals, Dubinsky and

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the Chans were able to continue receiving money from TRU even though TRU would not willingly have done business with them.

336. The Principals and several Corporate Shell Defendants protected the SLB Enterprise's assets by making sure that neither Manley nor Toy Quest Ltd. would have sufficient funds to satisfy Aviva's judgment. In the same manner, the Principals, Toth and several Corporate Shell Defendants caused MGS to take over the business operations of MTD and Toy Network when judgments were entered against those companies.

337. There is no meaningful distinction between MTD, Toy Network, and MGS. These companies did not observe basic corporate formalities. Indeed, many of the same employees worked at all three companies, in the same location, with the same job title and/or job duties, with little or no understanding of the distinction between these companies.

338. At this time, MTD, Toy Network, and MGS are not adequately capitalized and the Principals—who serve as officers and directors of the companies—have funded them strictly on an as-needed basis.

339. MTD and Toy Network filed Statements of Dissolution with the Iowa Secretary of State in 2016, but there is no record of either company following the rules related to the winding up process.

340. Because MTD, Toy Network, and MGS are not adequately capitalized, these entities are unable to satisfy a judgment against them.

C. The Principals and Other Defendants Abused Legal Process around the World to Protect the SLB Enterprise's Assets.

341. The Principals have conspired with other Defendants to retain control of money that was rightfully due to Ackelson and other independent creditors by deceiving courts and litigants around the country.

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342. To accomplish this goal, the Principals have dispatched attorneys to disrupt the administration of justice by presenting meritless motions and filings intended to create delay, distractions, and outcomes other than the requested relief.

343. The Principals have caused SLB Companies, including Toy Quest Ltd., Wellmax, Jun Tai, and Winning, to conceal their influence in conducting and funding sham litigation.

344. The Principals have directed attorneys, including Mann, to file motions and advance positions that are both baseless and designed to achieve ulterior purposes.

345. These crude tools of obstruction have been condemned by courts as being "improper," "misguided," and "indefensible."

1. The SLB Enterprise Has Attempted to Cheat the Iowa Victims by Misleading Courts.

346. The SLB Enterprise has misled courts in order to cheat the Iowa victims.

347. For example, with the help of Mann and numerous other lawyers, the SLB Enterprise has fought aggressively to shield various Corporate Shell Defendants from liability for the damages the Iowa victims suffered while they worked for MTD.

348. The SLB Enterprise's "bad faith" tactics to evade judgments against MTD have been condemned by state and federal courts in Iowa.

349. The Principals' efforts to protect the SLB Enterprise from liability included the use of material misrepresentations to defraud independent creditors.

350. In 2013 for example, Alan Chan tried to defraud the Iowa victims by submitting affidavits in which he falsely swore that Manley "does not maintain an office in the United States and does not own any assets within the United States."

351. The first claim was false in that Manley, as Alan Chan well knew, maintained one or more offices in the United States.

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352. The second claim was false in that Manley, as Alan Chan well knew, had numerous assets in the United States, including accounts receivable and real property.

353. These claims were material in that they were intended to persuade courts that they did not have jurisdiction over Manley.

354. Alan Chan asserted these materially false claims in (a) an affidavit electronically submitted to an Iowa federal court on or about July 15, 2013 and (b) an affidavit electronically submitted to an Iowa state court on or about July 25, 2013.

355. Iowa courts have rejected various falsehoods asserted by the SLB Enterprise to evade liability, including MTD's false claim that it had no employees in the United States after 2013.

356. Indeed, as late as 2014, Defendant Toth was serving as MTD's president and defending it in a lawsuit, as a federal judge in Iowa noted in October 2018 when commenting on "troubling" examples of "falsification of evidence" by members of the SLB Enterprise.

2. The SLB Enterprise Attacked Ackelson and Other Independent Creditors with Sham Litigation in Hong Kong.

357. The SLB Enterprise's misuse of legal process against independent creditors like Ackelson has continued for years.

358. As independent creditors asserted their rights against MTD and Manley in U.S. courts, the Principals retaliated by directing Toy Quest Ltd. to pursue vexatious litigation in Hong Kong.

359. On March 30, 2016, Toy Quest Ltd. filed suit against Aviva in Hong Kong seeking alleged "damages" resulting from Aviva's judgment collection efforts, a declaration that Toy Quest Ltd. is not an alter ego of Manley, and an injunction blocking the post-judgment

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discovery served on Manley that the Minnesota Federal Court already had ordered Manley to answer.

360. Toy Quest Ltd. also filed suit in Hong Kong against the five Iowa victims. Among other things, Toy Quest Ltd. sought a declaration that Toy Quest Ltd. is not an alter ego of Manley or Aquawood, an injunction barring the Iowa victims from pursuing discovery relating to Toy Quest Ltd. from Manley or Aquawood, and damages.

361. Manley likewise filed suit in Hong Kong against the Eclipse Group, which is Manley's former U.S. counsel and is now one of its independent creditors.

362. Through these Hong Kong lawsuits, the Principals have attempted to use the Hong Kong legal system to deprive independent creditors of what they are owed by circumventing litigations already underway in U.S. courts.

363. This vexatious litigation targeted Ackelson, Aviva and the other Iowa victims, all of whom had no contacts in Hong Kong and had obtained U.S. judgments against SLB entities based on those entities' U.S. activities.

364. To support this vexatious litigation, Toy Quest Ltd. submitted an affidavit from Chan, who directed the litigation in coordination with the other Principals.

365. Toy Quest Ltd. also submitted at least one fabricated affidavit from a fictitious person.

366. Specifically, on August 16, 2016, Toy Quest Ltd. filed an Affirmation of Gary Swerdlow ("Swerdlow Affirmation") before the Hong Kong court. The Swerdlow Affirmation alleged that Toy Quest Ltd. had suffered damages from a loss of business in the United States due to Aviva's efforts to enforce the judgment against Manley.

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367. Upon information and belief the Swerdlow Affirmation is false and fraudulent in its entirety. For example:

a) The Swerdlow Affirmation gave Swerdlow's address as 1008 Homer Street #508, Vancouver, BC.

b) That claim was false; no such person resided or worked there, because the address does not exist.

c) The Swerdlow Affirmation also alleged that Swerdlow had spoken to several retailers on behalf of Toy Quest Ltd., including Hot Topic, Dollar General, Home Depot, and Jet.com.

d) None of those retailers had any record of Swerdlow, and Hot Topic provided a declaration that its personnel had never spoken to anyone named Gary Swerdlow on behalf of Toy Quest Ltd.

e) In fact, despite a thorough search, Aviva cannot find any evidence that "Gary Swerdlow" of Vancouver, Canada even exists.

3. To Protect the SLB Enterprise from Garnishment Actions, the Principals Directed Corporate Shell Defendants and Others to Lie to U.S. Courts.

368. To enforce its judgment against Manley, Aviva brought a series of garnishment actions seeking funds from retailers that had conducted business with Manley when it was using the "Toy Quest" trade name.

369. Toy Quest Ltd. conspired with other Defendants to protect the SLB Enterprise by interfering with garnishment actions brought by Manley's creditors.

370. For example, Aviva registered its judgment in the Middle District of Tennessee and opened a miscellaneous action there (the "Tennessee Action"), then filed a Motion for Judgment in the Tennessee Action to obtain funds owed by Dollar General to Manley.

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371. There, the Principals dispatched Wellmax to contest Aviva's garnishment by falsely asserting a security interest in the Dollar General funds.

372. Wellmax's alleged security interest was a sham.

373. Wellmax had no evidence of any actual security interest in Manley's or Toy Quest Ltd.'s receivables and had taken none of the actions necessary to perfect a security interest in the United States or Hong Kong.

374. As Aviva demonstrated with documents and expert testimony regarding Hong Kong's system for perfecting security interests, the Principals had concocted Wellmax's alleged security interest with no legal or factual basis.

375. Wellmax had no response to Aviva's evidence.

376. Instead, Toy Quest Ltd. entered an appearance and sought to intervene to oppose Aviva's Motion for Judgment.

377. Having been exposed as a sham intervenor, Wellmax withdrew from the Tennessee Action within a few hours of Toy Quest Ltd. entering its appearance.

378. Toy Quest Ltd.'s decision to intervene in the Tennessee Action was made at the direction of Dubinsky, Mann, Gary Chan, and attorney Stephen Raucher of Reuben Raucher & Blum ("RRB").

379. In its proposed opposition, Toy Quest Ltd. demanded approximately $100,000 that Dollar General had paid into the court's registry in response to Aviva's garnishment of Manley accounts receivable, but offered no evidence to refute Aviva's argument that Manley had done business using the "Toy Quest" name.

380. Like Wellmax, Toy Quest Ltd. intervened not to protect its own assets, but to interfere with the ability of Manley's creditors to collect Manley assets.

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381. Moreover, Toy Quest Ltd.'s attempt to seize these assets constituted a willful violation of 18 U.S.C. § 152 as well as the Bankruptcy Stay.

382. After learning of this attempt to seize assets subject to the Bankruptcy Stay, the Bankruptcy Court imposed sanctions against Toy Quest Ltd.

4. Faced with the Likelihood that the Minnesota Federal Court Would Impose Crippling Import Sanctions on the SLB Enterprise, the Principals Used Sham Intervenors to Escape the Court's Authority.

383. On September 29, 2015, Aviva served Manley with post-judgment document requests and interrogatories, which Manley ignored. Aviva then filed a motion to compel Manley to respond.

384. On December 30, 2015, the Minnesota Federal Court granted Aviva's motion to compel and ordered Manley to respond to the discovery requests by January 21, 2016. The deadline passed, Aviva received nothing, and Manley and the Principals once again violated a U.S. court order.

385. On February 12, 2016, Aviva filed a sanctions motion based on that violation of the court's order. The sanctions motion sought monetary sanctions and an injunction preventing Manley—as well as Toy Quest Ltd. or any other intermediary, affiliate, or alter ego of Manley—from selling, importing, distributing, or shipping SLB Products into the United States (the "importation injunction"). A hearing was set for March 1, 2016.

386. The importation injunction would have posed a major threat to the SLB Enterprise.

387. During a previous hearing, the Minnesota Federal Court expressly had warned counsel for Manley that it would impose the importation injunction that Aviva sought as a coercive sanction:

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> I think that they are over there in Hong Kong or China, and they just don't care. . . . I see no alternative but to put an embargo on all importation of Bonsai products, all Manley, and Manley-related products. None may be imported into this country until the responsibilities of Manley in this litigation have been discharged. And I intend to do that only because every other avenue seems hopeless. . . . So they're going to have to care. If they are going to do business in this country, they are going to have to follow the Court's orders. So that's all there is to it. . . . I mean this is bad. This is beyond shocking. Beyond shocking. . . . [E]verything smells like a ruse, and it smells like contempt.

a. The Principals, Toy Quest Ltd., and Novack Concealed Their Collusion from the Court.

388. On February 19, 2016, a Minnesota attorney called counsel for Aviva to state that his firm was considering a proposed engagement as local counsel for Toy Quest Ltd. and possibly other companies related to Aviva's motion for sanctions. That attorney said that Novack would serve as lead counsel, and asked Aviva to consent to an extension of time to file a motion to intervene and to consent to Toy Quest Ltd.'s intervention.

389. Counsel for Aviva did not consent to this transparent effort to delay the discovery process yet again.

390. At the direction of the Principals, Toy Quest Ltd. retained Novack.

391. Novack also represented Jun Tai and Winning—which were not mentioned during the meet-and-confer call on February 19—in this coordinated effort.

392. Dubinsky served as the "litigation agent" for Toy Quest Ltd., Jun Tai, and Winning, just as he had in multiple previous lawsuits.

393. On February 24, 2016, at the direction of the Principals, Jun Tai and Winning filed a motion to intervene before the Minnesota Federal Court.

394. Novack entered an appearance only on behalf of Jun Tai and Winning, while failing to disclose its simultaneous representation of Toy Quest Ltd.

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395. Toy Quest Ltd. paid for the motion but, to conceal its role from the Court, refrained from joining the motion.

396. In this litigation, Jun Tai and Winning provided materially false information about their corporate structure to the Court.

a) The corporate ownership of Jun Tai and Winning and their relationship to Manley were material issues in the litigation.

b) In the motion, Jun Tai and Winning claimed that they shared one or more corporate parents with Manley.

c) However, in the accompanying corporate disclosures Jun Tai and Winning claimed that they had *no* corporate parents.

d) It was not possible for both claims to be true.

e) Accordingly, one or both claims were materially false.

397. In addition, Jun Tai and Winning falsely alleged that they had interests that could be harmed by an import injunction affecting Manley products.

398. The Minnesota Federal Court agreed to hear the motion to intervene on March 14, 2016, and postponed the hearing on Aviva's motion for sanctions until March 31, 2016.

399. Mann appeared on behalf of Jun Tai and Winning at the March 14 hearing. Mann (and Novack) knew that the false claims Novack was advancing on behalf of Jun Tai and Winning had no merit and were being made purely for the purpose of delay.

400. Novack did not disclose to the court the fact that Toy Quest Ltd. and Dubinsky were coordinating the motion or that its true purpose was to disrupt the sanctions hearing and deprive the Minnesota Federal Court of its ability to enforce its judgment.

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b. The Motion to Intervene Was a Sham.

401. The Minnesota Federal Court denied the motion to intervene as "grossly deficient" on March 17, 2016.

402. The court observed that Jun Tai and Winning had failed to set forth any factual support for their claims or comply with basic procedural requirements:

> For whatever reason, the movants wholly failed to provide the Court with any facts as to who they are, what they do (*e.g.*, do they even sell or distribute Manley toys in the United States), what their interest in the sanctions motion is, what their relationship to Manley is, or how the outcome of the sanctions motion would affect them. Significantly, their motion was unsupported by any declaration or affidavits that would permit the Court to evaluate their contention that intervention was warranted. In fact, even their conclusory statements that they have a common ownership with Manley, but are separate legal entities, was without any evidentiary support.

403. The Minnesota Federal Court also took Novack to task for not discharging its duty to substantiate the claims it was presenting to the court, finding that Novack's excuses deserved "no credence":

> At the motion hearing, the movants' counsel described how the movants sold toys for Manley in the past and that they now have Manley products in their inventory that they would like to sell, but may not be able to do if the District Court granted the injunction portion of [Aviva's] sanctions motion. Of course, this was news to the Court and opposing counsel as these representations were not reflected in the movants' motion papers. Counsel then explained that the reason no supporting affidavits or declarations were filed was that the motion had to be brought hurriedly and there was no time for counsel to obtain a declaration or affidavits from the movants in support of their motion. The Court placed no credence in this explanation. Counsel represents Manley and Toy Quest [Ltd.] in garnishment actions by [Aviva] around the country and had two weeks to file motion papers after [Aviva] initially filed its sanctions motion on February 12, 2016, and set the hearing for the sanctions motion for March 1.

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c. The Delay the Sham Motion Caused Bought the Principals Enough Time to Commence Bankruptcy Proceedings that Stripped the Minnesota Federal Court of Its Ability to Sanction Manley.

404. The sham motion to intervene was not filed to obtain the relief requested in the motion.

405. Rather, it was intended only as a tactic of delay.

406. The sham motion achieved its intended result, in that the Minnesota Federal Court continued the sanctions hearing until March 31, 2016 while it heard and considered the motion to intervene.

407. As discussed below, that delay provided enough time for the Principals to begin Manley's liquidation in Hong Kong and for Manley's Liquidators to file a petition for chapter 15 recognition and a request for emergency provisional relief to shut down all U.S. litigation relating to Manley, including the litigation before the Minnesota Federal Court and efforts by TRU to hold Manley accountable for selling the waterslide that killed Robin Aleo.

408. Thus, with less than a week to spare before the sanctions hearing, the Principals sidestepped the Minnesota Federal Court's authority, allowing them to continue to import products into the United States (through customs fraud and money laundering schemes, described below) and take millions of dollars out of the United States, without answering for their repeated violations of the Minnesota Federal Court's orders.

409. Years later, acknowledging the mountain of evidence against Manley and the Principals, the Bankruptcy Court stated that it did "not doubt that Toy Quest and other insiders have taken actions to avoid paying Aviva's claims," that Manley's "actions in various courts in the United States appears to have been improper," and that Manley's "decision to enter into

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liquidation may have been the latest step in an effort to avoid a day of reckoning in the United States."

5. The SLB Enterprise Protected its Assets through Sham Liquidation and Bankruptcy Proceedings Designed to Cheat Independent Creditors.

410. Once the Principals realized that time was running out in Minnesota, they rushed to liquidate Manley in Hong Kong, rigging Manley's creditor list to ensure that members of the SLB Enterprise would control the liquidation and convening a "Creditors' Meeting" before most independent creditors received notice.

411. Sixteen of the seventeen "creditors" at that meeting—including Toy Quest Ltd., which had assumed most of Manley's business relationships—were members of the SLB Enterprise and controlled by Chan and his family, including Alan Chan. The Committee of Inspection ("COI") formed to supervise the Liquidators also is controlled by the Chans and is comprised exclusively of members of the SLB Enterprise.

412. The Principals have prevented the Liquidators from pursuing any alter ego or fraudulent transfer claims by depriving the Liquidators of the money and documents necessary to sustain such claims. Instead, the only significant funds available to the Liquidators were reserved exclusively for shutting down all litigation that independent creditors had brought against Manley in the United States.

a. The Principals Maintained Control over the Liquidation Process by Stacking Manley's Creditor List with Sham "Creditors."

413. In late February and early March 2016, at the same time the sham motion to intervene was being filed and briefed, the Principals took steps to gerrymander Manley's creditor list to make it appear that the percentage of Manley liabilities owed to Manley affiliates

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exceeded fifty percent, thereby giving those affiliates power over the liquidation at the expense of independent creditors.

414. As of mid-February 2016, Manley owed approximately HK $125 million to two banks, Hang Seng Bank and HSBC. The banks were among Manley's largest creditors.

415. Over the next two weeks, the Principals substituted in two Manley affiliates—Toy Quest Ltd. and Manley Fashion—as purported creditors by having them provide funds to pay off the bank loans.

416. If Toy Quest Ltd. and Manley Fashion had not transferred funds to Manley to pay the banks, the affiliates would not have been Manley creditors when Manley liquidated.

417. Moreover, Toy Quest Ltd. and Manley Fashion were ***themselves*** obligors on the loans, meaning that those affiliates were paying off ***their own loans***, even though their payments were funneled through Manley.

418. The manufactured payments from Toy Quest Ltd. and Manley Fashion through Manley to the banks artificially increased the percentage of Manley's total liabilities that supposedly were owed to Manley's affiliates just enough for Manley affiliates to assert control over the entire creditor group.

b. Manley's Creditors' Meeting Was Timed to Prevent Independent Creditors from Receiving Adequate Notice.

419. The Principals held their first meeting with the Liquidators on March 4, 2016, the day after the final bank loan was paid off.

420. The Principals convened a "Creditors' Meeting" in Hong Kong on March 22, 2016, the "quickest date" possible.

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421. The Principals waited to mail notice of the meeting to Manley's U.S.-based creditors until it was too late for those creditors to attend the meeting, even if they had the time and money needed to fly halfway around the world. The notices were not emailed or faxed.

422. The law firm that represented Ackelson and the other Iowa victims in their civil rights claims against SLB Companies did not receive notice of the Creditors' Meeting until ***after*** the meeting occurred.

423. Other U.S. creditors likewise did not receive notice until after the meeting.

a) The Eclipse Group, a law firm that formerly represented Manley, did not receive notice until April 4, 2016, almost two weeks after the meeting.

b) Aviva did not receive notice of the Creditors' Meeting until two days after the meeting occurred.

c) Out of Manley's nine U.S. creditors, only one apparently knew about the meeting sufficiently ahead of time to submit a claim form, and he apparently learned about the meeting from a source other than the mailed notice.

424. The Principals thus created a situation where it was impossible for most of Manley's independent creditors to have any effective voice in the initial liquidation proceedings.

c. The Meeting Was Dominated by Sham Creditors Who Commissioned a COI Controlled by the Principals.

425. Even if some of Manley's U.S. creditors had managed to learn about and attend the Creditors' Meeting, the Principals made certain that the deck would be stacked so heavily in favor of Manley insiders that the wishes of independent creditors would be overridden.

426. Before the Creditors' Meeting, Chan, acting as the shareholder and "proxy holder" for Manley's parent company Teng Yue Holdings Ltd., was the only person present at

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the "Extraordinary General Meeting" at which the resolution to initiate Manley's liquidation was passed.

427. He then chaired the Creditors' Meeting, in his capacity as a director of Manley.

428. Of the seventeen "creditors" represented at the Creditors' Meeting, sixteen of them were members of the SLB Enterprise and controlled by Chan and Alan Chan.

429. Either Chan or Alan Chan was identified as the point of contact and signed proof of debt forms for all sixteen of them.

430. The sixteen SLB creditors appointed a five-member COI to direct the liquidation.

431. Chan, Alan Chan, and Liu control all five companies on the COI.

a) Alan Chan is the sole natural-person director of three of them, all of which are owned by Manley Overseas Ltd.

b) Chan is the sole natural-person director of the other two companies, Toy Quest Ltd. and Manley Fashion, which are also the entities that provided the funds to pay off the bank loans.

c) Liu is also the "authorized signatory" for Toy Quest Ltd.

d. The Principals Have Arranged for the Liquidators to Shut Down U.S. Litigation against Manley but Have Prevented the Liquidators from Pursuing Alter Ego or Fraudulent Transfer Claims.

432. From the beginning, the Principals and the Liquidators agreed that Toy Quest Ltd. would fund efforts to stop U.S. litigations—including the proceedings before the Minnesota Federal Court—through a chapter 15 proceeding. Toy Quest Ltd. would pay the Liquidators only for work in relation to chapter 15 activities, and none of Toy Quest Ltd.'s money could be spent on liquidation activities in Hong Kong.

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433. Meanwhile, Manley itself paid the Liquidators only a minimal amount of money to be used in the Hong Kong litigation.

434. Accordingly, the Liquidators have had substantial resources—including the proceeds of criminal activity—to fight independent creditors in U.S. courts.

435. In Hong Kong, however, the Liquidators have had almost no money to investigate or prosecute claims involving Manley's pre-liquidation transactions or the conduct of Manley insiders.

436. The Principals also chose and are paying Archer & Greiner and Daniel Glosband, the Liquidators' U.S. bankruptcy counsel. Toy Quest Ltd. is paying these lawyers directly (and with criminal proceeds), without going through the Liquidators.

437. In addition, the Principals have withheld documents and information from the Liquidators that would enable them to pursue alter ego and fraudulent transfer claims.

438. For example, the Principals have retained possession of the servers on which Manley's electronic documents are stored and have not permitted the Liquidators to access those documents. The Principals also have prevented the Liquidators from seeing documents relating to Manley's bank loans by directing Toy Quest Ltd. and other borrowers on the loans to refuse to consent to the documents' release.

e. While Independent Creditors Have Been Stayed from Seeking Manley Assets, SLB Companies Like Toy Quest Ltd. Have Sought Those Assets Illegally.

439. The Bankruptcy Stay prohibited any act to obtain possession of Manley's assets or to allow such assets to leave the United States.

440. This order has prevented Manley's independent creditors from seeking assets from Manley and has been exploited by the Principals, who continue to deprive creditors of money they are rightfully due.

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441. Since the entry of the Bankruptcy Stay, Toy Quest Ltd. improperly has taken millions of dollars from Manley's debtors, in violation of 18 U.S.C. § 152.

442. For example, after the entry of the Bankruptcy Stay, Wu directed Dollar Empire to wire Toy Quest Ltd. millions of dollars in order to keep that money from Manley's creditors.

443. The Principals have sought to defraud Manley's independent creditors by directing the SLB Enterprise's representatives to send e-mails and other wire communications to deceive Manley's debtors about which SLB Companies they represented, in violation of 18 U.S.C. §§ 152 and 1343.

444. The misrepresentations and omissions in these communications were material, in that they induced or tended to induce certain action.

445. For example, in June 2016, Magalhaes emailed a representative of the retailer Costco to demand that Costco transfer approximately $25,000 it owed to Manley from Manley's vendor account to Toy Quest Ltd.'s vendor account, and then turn those funds over to Toy Quest Ltd. Magalhaes identified himself as the "General Manager and SVP" of Epic Studios.

446. To deceive Costco, Magalhaes omitted from his message any mention of the connection between Manley and Toy Quest Ltd., the chapter 15 bankruptcy proceedings, or the Bankruptcy Court's stay order prohibiting any act to obtain possession of Manley's assets or to allow such assets to leave the United States.

447. Magalhaes sent at least two additional emails to Costco demanding the funds.

448. A few months later, Toy Quest Ltd. again attempted to seize Manley assets by filing papers demanding that the court in the Tennessee garnishment action hand over to Toy Quest Ltd. approximately $100,000 that the retailer Dollar General had paid into the court's registry in response to Aviva's garnishment of Manley accounts receivable.

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449. The Bankruptcy Court imposed sanctions against Toy Quest Ltd., noting it was "the second time Toy Quest has taken actions against property that was subject to the Bankruptcy Stay without first appearing before this Court to seek relief."

f. Toy Quest Ltd. and the Liquidators Are on the Verge of Entering into a Collusive Settlement.

450. On February 18, 2019, the Liquidators informed Manley's independent creditors by letter the Liquidators had "negotiated" a settlement with Toy Quest Ltd.

451. The proposed settlement was not negotiated "with" Toy Quest Ltd. so much as it was negotiated at the behest of Toy Quest Ltd. and its affiliates in a collusive attempt to prevent independent creditors from recovering the money rightfully owed to them by Manley.

452. All sides of the negotiation over the proposed settlement were represented by professionals who were paid by Toy Quest Ltd. and/or other members of the SLB Enterprise.

453. Pursuant to the proposed settlement, Toy Quest Ltd. would pay HK $300,000 (around US $38,000) to be distributed pro rata among Manley's independent creditors. By the Liquidators' own admission, Manley owes its independent creditors at least HK $77,688,108.07 (almost US $10 million).

454. In return for Toy Quest Ltd. paying this tiny fraction (less than 0.4%) of Manley's debts, Manley's Liquidators apparently would give up their rights to assert alter ego and fraudulent transfer claims against Toy Quest Ltd. and any other affiliated company. The deal is intended to deprive independent creditors of the money that could be obtained through such claims and ensure that no one ever will pursue the assets the Principals took from Manley.

455. The Liquidators' letter blamed their inability to adequately investigate alter ego and fraudulent transfer claims on a lack of funds. As discussed above, the Principals deliberately

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orchestrated that lack of funds in Hong Kong, while bankrolling efforts to shut down litigation in the United States.

456. The Liquidators' letter failed to disclose that for years, an independent creditor has been providing extensive documents and information that could have formed the basis of alter ego and fraudulent transfer claims with minimal additional effort and expense from the Liquidators.

457. The Liquidators' letter also failed to disclose that the same independent creditor repeatedly has offered to prosecute alter ego and fraudulent transfer claims against Toy Quest Ltd. and the other entities and persons that looted Manley before its liquidation, but that those offers have been refused.

D. Defendants Have Committed Customs Fraud and Money Laundering to Keep SLB Products Flowing into the United States and Money Streaming to the SLB Enterprise in Hong Kong.

458. As discussed above, between 2013 and 2016, to protect the SLB Enterprise from pending and potential judgments in Iowa and Minnesota, members of the SLB Enterprise tricked retailers into believing that they were dealing with Defendant Toy Quest Ltd. when in fact they still were doing business with MTD and Manley.

459. Since 2016, members of the SLB Enterprise have deceived U.S. Customs and others into believing that its products were being shipped to or imported by Dollar Empire in California, when in fact most of these goods ultimately were sent to Iowa and elsewhere across the United States.

460. These ruses have allowed the SLB Enterprise to continue to maintain its operations in Iowa by importing Manley's products into the United States and streaming payments out to Hong Kong, all at the expense of the Iowa victims.

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461. Moreover, the related financial transactions in Iowa and elsewhere in the United States have laundered the proceeds of criminal activity while concealing the funds from the Iowa victims and other independent creditors.

1. Defendants Have Used the SLB Enterprise to Continue Importing SLB Products Illegally Without Being Vulnerable to Garnishments.

462. Ackelson has been unable to identify and seize assets of the SLB Enterprise because of the extraordinary sophistication of the RICO Defendants' scheme.

463. For example, to hide assets from independent creditors, the SLB Enterprise attempted to involve unwitting retailers in its deceitful shipping practices.

a) In 2015, for example, after Aviva garnished accounts payable to Manley by Excelligence Inc. ("Excelligence"), Excelligence attempted to cancel a purchase order.

b) When Manley refused to cancel the order, Excelligence warned Manley that it would comply with the garnishment.

c) In response, a Manley employee proposed that Manley circumvent the garnishment by "deliver[ing] the goods through another company."

d) After Excelligence reiterated its cancellation request, Manley again suggested that Excelligence "ship this order by another company (rather than Manley Toys Ltd.)."

e) Excelligence refused.

464. When outsiders like Excelligence declined to participate in their fraudulent schemes, Defendants used members of the SLB Enterprise, such as MTD and Dollar Empire, to commit crimes to protect and sustain the enterprise's flow of imports into the United States.

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465. As described below, members of the SLB Enterprise have used deceptive and fraudulent shipping practices to shield the enterprise from garnishments from independent creditors.

466. For example, in 2015, MTD was designated as the consignee and importer of record for shipments sent from "Toy Quest Ltd.," even after MTD ostensibly had ceased to do business. Once MTD became vulnerable to its own U.S. judgments, it became less capable of shielding the SLB Enterprise from liability.

467. By contrast, Dollar Empire continues to commit federal crimes to protect the enterprise's Iowa operations while denying the Iowa victims of their ability to enforce their respective judgments.

2. Wu Directed Dollar Empire to Become a Sham Consignee for the SLB Enterprise to Generate False Import Records and Obstruct Judgment Enforcement Efforts.

a. The SLB Enterprise Used Dollar Empire to Disguise the Destination of Its Products and the Source of Its Payments.

468. As Ackelson and other independent creditors began to accrue judgments against MTD, the SLB Enterprise turned to Dollar Empire to impede collection efforts by masking the final destination of products shipped to Iowa and elsewhere in the United States.

469. Between December 2015 and February 2016, Dollar Empire purportedly bought millions of dollars of toys from the SLB Enterprise. The orders were placed with, and filled by, Manley employees.

470. Although Dollar Empire purportedly bought those SLB Products, the SLB Enterprise continued to direct their resale and delivery to other customers in the United States after the nominal transfer of the products to Dollar Empire.

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471. This charade prevented independent creditors from learning which companies actually were receiving Manley products, and thus could have been subjected to garnishments prior to the Bankruptcy Stay.

472. In March 2016, Manley began its liquidation in Hong Kong. According to Manley's Liquidators, all of Manley's employees were laid off and Manley ceased doing business. Nevertheless, former Manley employees continued to send the same products to Dollar Empire on behalf of Toy Quest Ltd.

473. In or around August 2016, Banzai International, Ltd. began sending goods to Dollar Empire. But the same former Manley employees continued to send the same products to Dollar Empire, supposedly pursuant to various so-called "consignment" arrangements that Dollar Empire has refused to describe in any detail.

474. This deception allowed the SLB Enterprise to continue listing Dollar Empire as the importer of record for millions of dollars of shipments into the United States.

475. In reality, the SLB Enterprise continued to control where those products went, using Dollar Empire to send the products on to other retailers in the United States.

476. The arrangement was intended to conceal the sources of payment to the SLB Enterprise, to hide assets from creditors like Ackelson, and to make it harder for creditors to trace the SLB Enterprise's business, so that the SLB Enterprise could continue its unlawful activities.

477. Dollar Empire's designation as the importer of record for shipments from the SLB Enterprise also violated U.S. Customs law:

a) As an importer of record, Dollar Empire is required by law to be either an owner or purchaser of the goods it receives, or a licensed customs broker.

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b) Although Dollar Empire has given contradictory sworn statements on the subject (as discussed below), Dollar Empire most recently has denied that it was an owner or purchaser of the SLB Products it received.

c) Dollar Empire also is not a licensed customs broker for the Port of Los Angeles or anywhere else.

d) Thus, rather than acting as either a true purchaser or a legitimate consignee, Dollar Empire, at Wu's direction, instead has allowed Banzai International fraudulently to use Dollar Empire's name on customs forms so that the SLB Enterprise can conceal the destination of SLB Products that it imports into the United States.

478. The false records created and submitted by Dollar Empire and/or Banzai International constitute violations of 18 U.S.C. § 542.

479. As a result of this ongoing criminal conduct, the SLB Enterprise has been able to import and sell thousands of tons of SLB Products in the United States while hiding the nature of much of its business, including the destination of its products and the source of its payments, from independent creditors who have been deprived of the ability to enforce judgments against SLB Companies.

480. In practice, this has meant that the SLB Enterprise has been able to continue its Iowa operations while totally evading the judgments obtained by Ackelson and the other Iowa victims after years of harassment, discrimination, and litigation.

b. Wu Lied to a Federal Court about Dollar Empire's Relationship with Banzai International.

481. In furtherance of the RICO Defendants' scheme to defraud independent creditors, Wu has submitted several materially false statements, under penalty of perjury, to the United

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States District Court for the Central District of California (the "California Federal Court") about Banzai International's agreement with Dollar Empire.

482. As described below, Wu has made mutually exclusive factual representations in different sworn declarations, while essentially confessing to Dollar Empire's participation in the recording of sham transactions on official Customs documents.

483. On July 24, 2017 and July 26, 2017, in response to Aviva's subpoena, two of Dollar Empire's attorneys represented that Dollar Empire had import records for shipments from Banzai International, which an importer of record would be required to maintain under federal law.

484. Indeed, Dollar Empire's counsel told the California Federal Court—with bold, italicized emphasis—that it had import records from Banzai International, and that Dollar Empire had offered to produce those records to Aviva:

> Dollar Empire ***offered to produce its import records during the meet and confer process.*** (*See* Ex. B to Declaration of Stephen Z. Boren, attached to original Motion.) Dollar Empire never said it keeps *no* records; it merely explained how it keeps records, and it keeps customer records separate from import records." (emphasis in original)

485. Then, in a declaration dated August 15, 2017 submitted to the California Federal Court, Wu claimed that Dollar Empire was "just a customer" of Toy Quest Ltd. and Banzai International and had no special relationship with either company.

486. By Order dated September 18, 2017, Dollar Empire was ordered to produce information involving purchases from all companies identified in a list of Manley-related "Entities," including Banzai International.

487. Dollar Empire, however, failed to produce any documents regarding any purchases from Banzai International. On October 3, 2017, Dollar Empire argued, through

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counsel, that it should not have to produce any documents about Banzai International because Dollar Empire was merely a "consignee" for Banzai International shipments and –despite Wu's earlier declaration under penalty of perjury to the contrary—had never been a customer of Banzai International.

488. In response to those new arguments, the California Federal Court ordered Dollar Empire to produce any consignment agreements with Manley Entities and any documents showing Dollar Empire receiving or forwarding goods as a consignee, as well as documents reflecting revenue associated with those goods, for 2016 and 2017.

489. But in a subsequent declaration dated January 12, 2018, Wu claimed, on behalf of Dollar Empire, that Dollar Empire had no import records for any of the "consignment" shipments—notwithstanding its lawyers' earlier statements to the contrary. Wu also claimed, on behalf of Dollar Empire, that Dollar Empire had never received physical possession of the "consigned" goods and had no interest in the goods whatsoever.

490. At a minimum, Wu's claim that Dollar Empire never received physical possession of the "consigned" goods was false.

a) Emails obtained from Dollar Empire show the company communicating with Aquawood and Park Lane employees, including Toth (using Toth's Epic Studio domain), to coordinate shipments of goods to third-party retailers.

b) Based upon the purchase orders produced by Dollar Empire, none of those goods had been purchased by Dollar Empire.

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c) Since at least some of those shipments originated from Dollar Empire's own warehouse, Dollar Empire therefore had at least some "consigned" goods in its possession.

491. The California Federal Court then ordered Dollar Empire to explain its consignment relationship with Banzai International and account for any revenue received.

492. In response, Wu submitted a declaration dated August 7, 2018, in which he asserted, on behalf of Dollar Empire, that Dollar Empire has a "commercial relationship" with Banzai International and allows Banzai International to use Dollar Empire's company name as a "consignee" on Banzai International's shipments to various third parties.

493. In this version of Wu's story to the California Federal Court, he facilitates a "commercial relationship" in which he allows Banzai International to list Dollar Empire as "consignee" even though a) Dollar Empire does not take any goods into its own possession and b) lacks the credentials necessary to serve as "consignee" for imported goods.

494. Wu continued to deny that Dollar Empire took any actions in its alleged role as "consignee," despite the emails demonstrating that Dollar Empire regularly conferred with SLB Company employees as to where Dollar Empire should direct the SLB Products in its warehouse.

495. Wu also claimed that Dollar Empire receives no revenue for its "commercial relationship" with Banzai International. However, Wu failed to explain why Dollar Empire would agree to participate in an arrangement designed to create false customs records for tons of imported products if Dollar Empire received nothing of value.

496. The various statements by Wu and Dollar Empire do not accord with numerous documents submitted to U.S. Customs and Border Protection by shipping companies used by the SLB Enterprise.

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a) These documents list Dollar Empire as the consignee and importer of record for dozens of shipments.

b) Despite Dollar Empire's claim that it never purchased goods from Banzai International, those shipments were accompanied by invoices issued by Banzai International that identify Dollar Empire as the "purchaser" of the goods and state that the goods would be sent to Des Moines, Iowa.

c) These goods were sent to MGS and/or another entity controlled by one or more of the RICO Defendants.

497. Many of Wu's numerous representations were intentionally false, and were designed by Wu, Dollar Empire, and the Principals to deceive the California Federal Court and creditors.

498. Wu's misrepresentations were material, in that they were designed to persuade the California Federal Court that Dollar Empire was not required to give Aviva documents responsive to Aviva's requests.

499. As a result of these misrepresentations, Dollar Empire has been able to conceal evidence of the RICO Defendants' wrongdoing from Ackelson, thus depriving of her of the ability to enforce her judgment against the Iowa Judgment Debtors.

IV. The RICO Defendants Have Conducted and Conspired to Conduct the Affairs of the SLB Enterprise through a Pattern of Racketeering that Victimized Independent Creditors.

500. By conducting and conspiring to conduct the affairs of the SLB enterprise through a pattern of racketeering, the RICO Defendants have injured Ackelson in two significant ways.

a) The pattern of racketeering, described more fully below, has deprived Ackelson of the ability to collect on and enforce the *Ackelson I* judgment.

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b) The pattern of racketeering also has allowed the enterprise to continue conducting business in the United States while evading liabilities to Ackelson and other independent creditors, all of which has enabled the Principals to fund litigation efforts that have resulted in substantial legal fees to Ackelson.

A. The RICO Defendants Are Committing Federal Criminal Offenses.

501. To sustain the SLB Enterprise, the RICO Defendants have committed, and continue to commit, numerous crimes at the expense of independent creditors, in violation of 18 U.S.C. §§ 152 (bankruptcy offenses), 542 (customs fraud), 1343 (wire fraud), 1512 (obstruction of justice) and 1956-57 (money laundering).

1. The SLB Enterprise Has Obtained Money through the Commission of Wire Fraud.

a. Members of the SLB Enterprise Schemed to Defraud Independent Creditors Even Before the Entry of the *Ackelson I* Judgment.

502. From on or about June 19, 2013 through on or about March 23, 2016, the Principals, the Executives, Magalhaes, Toy Quest Ltd., Park Lane, Jun Tai, Winning, and Dollar Empire (the "Wire Fraud Conspirators") and other members of the SLB Enterprise devised and intended to devise a scheme and artifice to defraud independent creditors, and to obtain money and property through false and fraudulent pretenses, representations, and promises.

503. As part of the fraudulent scheme, members of the SLB Enterprise, including the Wire Fraud Conspirators, made material omissions and misrepresentations to retailers and U.S. courts about Manley's operations and assets, the relationship of Manley to Toy Quest Ltd., and other matters. Such omissions and representations were intended to allow the SLB Enterprise to

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continue doing business in the United States while evading liability and the obligation to pay judgments against Manley.

504. For example, the Wire Fraud Conspirators sent or caused to be sent electronic communications to several retailers designed to deceive retailers, creditors, and others about whether the retailers were conducting business with Manley or Defendant Toy Quest Ltd. Such electronic communications were sent on the following dates, in interstate and foreign commerce, primarily from Hong Kong to the United States.

Deceptive Communications to Customers of Manley				
Date	**Purported Sender**	**Recipient**	**Method**	**Content**
06/19/13	Manley	Dollar General	Internet submission	Vendor Change Form, changing Manley to "Toy Quest Ltd."
07/26/13	Anthony Cheng	A. Koch (Seventh Avenue)	Electronic mail	Name change, changing Manley to "Toy Quest Ltd."
06/13/14	Anthony Cheng (Manley)	Tina Taylor (Big Lots)	Electronic mail	Name change, changing Manley to "Toy Quest Ltd."
06/18/14	Manley	Michaels	Internet submission	Vendor Change Form
09/10/14	Toy Quest Ltd.	Bed Bath & Beyond	Electronic mail	Changing "Vendor of Record" to Toy Quest Ltd.
09/23/14	Kapo Tsang (Toy Quest Ltd.)	Costco	Electronic mail	Name change, changing Manley to "Toy Quest Ltd."
11/20/15	Jena Schmeling (Northern Lights Marketing)	Lindsey Heffron (Blain Supply, Inc.)	Electronic mail	Name Change, changing Manley to "Toy Quest Ltd."

505. The goal of the fraudulent communications was to seize money that belonged or was due to Manley and deprive independent creditors of that money.

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a) Each of the communications was intended to deceive retailers about the nature of transaction and thereby defraud independent creditors.

b) Relying on these communications, numerous retailers falsely believed and reported that they were doing business with companies other than Manley, when in fact, as the Wire Fraud Conspirators well knew, the retailers continued to do business with Manley.

c) Relying on false representations that the retailers had no Manley receivables, Aviva did not garnish funds that were listed as payable to "Toy Quest Ltd."

d) Had Aviva known that the retailers had Manley receivables, Aviva would have garnished funds that were listed as payable to "Toy Quest Ltd." and thus prevented the SLB Enterprise from transferring certain assets from the United States to Hong Kong.

506. As the next step in their fraudulent scheme, the Wire Fraud Conspirators and other members of the SLB Enterprise subsequently sent or caused to be sent invoices to retailers containing fraudulent demands to pay money to Toy Quest Ltd. that instead belonged to Manley.

507. Earlier this year, Aviva filed with the Minnesota Federal Court a complaint alleging, inter alia, RICO violations by each of the RICO Defendants ("Aviva's RICO Complaint").

508. Aviva's RICO Complaint attached as Exhibits A-D charts of invoices submitted electronically in interstate and foreign commerce between 2013 and 2015 to Big Lots, Dollar

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General, Michaels, and Target.[2] All of these invoices, which are dated prior to the Bankruptcy Stay, allegedly seek payment to Toy Quest Ltd. of money actually owed to Manley. Such money should have been subject to execution or seizure by independent creditors.

509. Similar fraudulent demands for payments of money due to Manley continued to be made after the Bankruptcy Stay was put in place. Aviva's RICO Complaint attached as Exhibit E a chart of invoices submitted electronically to Target after March 24, 2016, that seek payment to Toy Quest Ltd. of money actually owed to Manley. The information set forth in that chart is known to the defendants.

510. Other fraudulent demands for payment of money due to Manley were made to recipients known to the Wire Fraud Conspirators but are not yet known to Ackelson.

511. Aviva's RICO Complaint attached as Exhibits F-H charts of payments made from Dollar Empire, Bed Bath & Beyond, and Target in the United States to Toy Quest Ltd. in Hong Kong. Aviva's Exhibit F, which was filed publicly, is attached here as Exhibit A.

512. On the dates set forth in those charts, for the purpose of executing the fraudulent scheme, and aiding and abetting its execution, the Wire Fraud Conspirators and other members of the SLB Enterprise, sent and caused to be sent electronically: writings, signs, and signals effectuating the financial transactions set forth in Aviva's Exhibits F, G, and H, in interstate and foreign commerce.

513. It was also part of the fraudulent scheme that the Wire Fraud Conspirators and other members of the SLB Enterprise used court filings to advance their fraudulent scheme and further obstruct independent creditors' efforts to obtain money owed to Manley.

[2] Almost all of Aviva's Exhibits were filed under seal. Plaintiff is not currently in possession of those charts, but the information contained in those exhibits is known to the Defendants and should be available to Plaintiff through discovery in this matter. Aviva's Exhibits F and I were filed publicly and are attached as Exhibits A and B here.

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514. For example, as set forth in the chart below, Toy Quest Ltd., Alan Chan, and other members of the SLB Enterprise falsely claimed in multiple U.S. court filings that Manley and Toy Quest Ltd. kept separate accounts and did not commingle funds. The purpose of these false representations, which were transmitted to the courts in interstate and foreign commerce through the courts' electronic case filing systems, was to conceal documents and information about the true activities of Manley and Toy Quest Ltd., thereby permitting the SLB Enterprise to conduct business using the "Toy Quest Ltd." name while evading liabilities to independent creditors.

False and Fraudulent Communications to U.S. Courts			
Date	**Purported Sender**	**Recipient**	**Content**
5/4/15	Toy Quest Ltd. and Francis Wong	U.S. Dist. Ct. for the Northern Dist. of Tex.	Declaration of Francis Wong, on behalf of Toy Quest Ltd., falsely claiming that Manley and Toy Quest Ltd. kept separate accounts and did not commingle funds
5/4/15	Alan Chan and Manley	U.S. Dist. Ct. for the Northern Dist. of Tex.	Declaration of Chan Siu Lin a/k/a Alan Chan, on behalf of Manley, falsely claiming that Manley and Toy Quest Ltd. kept separate accounts and did not commingle funds
5/4/15	Toy Quest Ltd. and Francis Wong	U.S. Dist. Ct. for the Northern Dist. of Ill.	Declaration of Francis Wong, on behalf of Toy Quest Ltd., falsely claiming that Manley and Toy Quest Ltd. kept separate accounts and did not commingle funds
5/4/15	Alan Chan and Manley	U.S. Dist. Ct. for the Northern Dist. of Ill.	Declaration of Chan Siu Lin a/k/a Alan Chan, on behalf of Manley, falsely claiming that Manley and Toy Quest Ltd. kept separate accounts and did not commingle funds
5/11/15	Toy Quest Ltd. and Francis Wong	U.S. Dist. Ct. for the Middle Dist. of Tenn.	Declaration of Francis Wong, on behalf of Toy Quest Ltd., falsely claiming that Manley and Toy Quest Ltd. kept separate accounts and did not commingle funds
5/11/15	Alan Chan and Manley	U.S. Dist. Ct. for the Middle Dist. of Tenn.	Declaration of Chan Siu Lin a/k/a Alan Chan, on behalf of Manley, falsely claiming that Manley and Toy Quest Ltd. kept separate accounts and did not commingle funds

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515. The Wire Fraud Conspirators and other members of the SLB Enterprise similarly furthered their fraudulent scheme by blocking independent creditors' efforts to garnish funds by attempting to ship Manley goods through other companies, falsely asserting rights to money owed to Manley by retailers, and making false representations in response to court-ordered discovery. As described in the chart below, these false statements were contained in numerous electronic communications and electronic court filings and were sent in interstate and foreign commerce.

Wire Communications Intended to Evade Garnishment or Take Funds Owed to Manley				
Date	**Purported Sender**	**Recipient**	**Method**	**Content**
2/26/15	Dorothy Lo (Manley)	P. Milestone (Excelligence)	Electronic Mail	Offer to "deliver goods through another company" to evade creditor's garnishment
3/2/15	Dorothy Lo (Manley)	P. Milestone (Excelligence)	Electronic Mail	Suggestion to "ship this order by another company (rather than Manley Toys Ltd.")
5/4/15	Toy Quest Ltd. (through counsel)	U.S. Dist. Ct for the Northern Dist. of Texas.	Electronic Case Filing	Motion to Dissolve Garnishment, seeking to take funds owed by Michaels to Manley
5/11/15	Toy Quest Ltd. (through counsel)	U.S. Dist. Ct for the Middle Dist. of Tenn.	Electronic Case Filing	Motion to Quash Garnishment, seeking to take funds owed by Dollar General to Manley
5/11/15	Toy Quest Ltd. (through counsel)	U.S. Dist. Ct for the Middle Dist. of Tenn.	Electronic Case Filing	Motion to Quash Garnishment, seeking to take funds owed by Dollar General to Manley
11/6/15	Wellmax (through counsel)	U.S. Dist. Ct for the Middle Dist. of Tenn.	Electronic Case Filing	Motion to Quash Garnishment, seeking to take funds owed by Dollar General to Manley
11/6/15	Wellmax (through counsel)	U.S. Dist. Ct for the Middle Dist. of Tenn.	Electronic Case Filing	Memorandum in Support of Motion to Quash Garnishment, seeking to take funds owed by Dollar General to Manley

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11/6/15	S. Lee and Wellmax	U.S. Dist. Ct for the Middle Dist. of Tenn.	Electronic Case Filing	Declaration of Samuel Lee on behalf of Wellmax, falsely asserting a security interest in funds owed by Dollar General to Manley
12/7/15	Toy Quest Ltd. (through counsel)	U.S. Dist. Ct for the Middle Dist. of Tenn.	Electronic Case Filing	Motion to Intervene and Opposition to Motion for Judgment, seeking to take funds owed by Dollar General to Manley
2/24/16	Jun Tai and Winning (through counsel)	U.S. Dist. Ct. for the Dist. of Minn.	Electronic Case Filing	Motion to Intervene and oppose motion for sanctions, falsely representing the filers' connection to Manley and filed for the undisclosed purpose of delaying the sanctions motion long enough for Manley to begin bankruptcy proceedings

b. Members of the SLB Enterprise Schemed to Deprive Ackelson and Other Judgment Creditors of Their Ability to Enforce Specific Judgments.

516. Since the *Ackelson I* judgment was issued, the Wire Fraud Conspirators and other members of the SLB Enterprise have carried on and concealed their fraudulent scheme by lying to U.S. courts about the nature of Manley's pre-liquidation operations and concealing information and documents from Manley's creditors and Liquidators.

517. These false statements were contained in several electronic court filings around the country and were sent in interstate and foreign commerce, as listed below.

False and Fraudulent Communications to U.S. Courts			
Date	**Purported Sender**	**Recipient**	**Summary of False and Fraudulent Communication**
12/12/16	Toy Quest Ltd. (through counsel)	U.S. Bankr. Ct. for the Dist. of NJ	Motion to Compel Aviva to comply with Bankruptcy Stay, attempting to block discovery into Toy Quest Ltd.'s activities and forestall sanctions motion and falsely alleging that Aviva was in violation of Stay

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12/21/16	Chan (through counsel)	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that Chan "retired" from "day-to-day operation[s]" and being "CEO" of Manley in 2011 and "was not aware of and made no decisions on behalf of Manley with respect to the post-judgment discovery at issue on this motion"
12/21/16	Dubinsky (through counsel)	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that "at no time did Aquawood or [Dubinsky] have any control over or decision-making authority" with respect to Manley
12/21/16	Alan Chan (through counsel)	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that making "decisions on behalf of Manley with respect to the post-judgment discovery at issue on this motion" was not part of Alan Chan's job responsibilities
1/26/17	Toy Quest Ltd. (through counsel)	U.S. Dist. Ct for the Middle Dist. of Tenn.	Opposition to Motion for Status Conference, fraudulently claiming that funds owed by Dollar General to Manley were in fact owed to Toy Quest Ltd.
1/27/17	Toy Quest Ltd. (through counsel)	U.S. Dist. Ct for the Middle Dist. of Tenn.	Supplemental Opposition to Motion for Status Conference, seeking to take funds owed by Dollar General to Manley
3/15/17	Dubinsky (through counsel)	U.S. Dist. Ct. for the Dist. of NJ	Declaration of Dubinsky, falsely claiming that Aquawood is an independent sales representative
4/11/17	Toy Quest Ltd. (through counsel)	U.S. Bankr. Ct. for the Dist. of NJ	Opposition to motion to compel documents and information, falsely representing Toy Quest Ltd.'s dealings with Dollar General
5/17/17	Toy Quest Ltd. (through counsel)	U.S. Bankr. Ct. for the Dist. of NJ	Supplemental interrogatory response, falsely describing Toy Quest Ltd.'s dealings with Dollar General and Toy Quest Ltd.'s actions in response to discovery
6/8/17	Toy Quest Ltd. (through counsel)	U.S. Bankr. Ct. for the Dist. of NJ	Second supplemental interrogatory response, falsely describing Toy Quest Ltd.'s dealings with Dollar General and Toy Quest Ltd.'s actions in response to discovery
7/18/17	Toy Quest Ltd. (through counsel)	U.S. Bankr. Ct. for the Dist. of NJ	Opposition to motion to compel depositions, falsely representing Toy Quest Ltd.'s efforts to respond to discovery served in bankruptcy case
8/15/17	Wu (through counsel)	U.S. Dist. Ct. for the Central Dist. of Cal.	Declaration falsely stating, *inter alia*, that Dollar Empire was "just a customer" of Toy Quest Ltd. and Banzai International

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10/2/17	Wu (through counsel)	U.S. Dist. Ct. for the Central Dist. of Cal.	Declaration falsely stating, *inter alia*, that Dollar Empire was a "consignee" of Banzai International without disclosing the alleged fact that Dollar Empire did not actually receive the "consigned" goods
1/12/18	Wu (through counsel)	U.S. Dist. Ct. for the Central Dist. of Cal.	Declaration falsely stating, *inter alia*, that Dollar Empire had no interest in consigned goods whatsoever and that Dollar Empire received no revenue from Banzai
4/20/18	MTD (through counsel and its "Corporate Secretary")	U.S. Dist. Ct. for the Southern Dist. of Iowa.	Declaration falsely stating, *inter alia*, that MTD had "never done business at the address of 700 New York Avenue, Des Moines, Iowa," and that MTD "has had no employees in the United States [sic] 2013"
5/24/18	Toth (through counsel)	U.S. Dist. Ct. for the Southern Dist. of Iowa.	Affidavit by certification falsely stating, *inter alia*, that MTD "never did business" at the address of 700 New York Avenue, Des Moines, Iowa.
7/3/18	Chan (through counsel)	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that Chan "retired" from "day-to-day operation[s]" and being "CEO" of Manley in 2011 and "was not aware of and made no decisions on behalf of Manley with respect to the post-judgment discovery at issue on this motion"
7/3/18	Liu (through counsel)	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that Liu "was not aware of and made no decisions on behalf of Manley with respect to the post-judgment discovery at issue on this motion"
7/3/18	Dubinsky (through counsel)	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that "at no time did Aquawood or [Dubinsky] have any control over or decision-making authority" with respect to Manley
7/3/18	Alan Chan (through counsel)	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that making "decisions on behalf of Manley with respect to the post-judgment discovery at issue on this motion" was not part of Alan Chan's job responsibilities
7/3/18	Park Lane (through counsel and its "Manager")	U.S. Dist. Ct. for Dist. Of Minn.	Declaration falsely stating, *inter alia*, that that Park Lane "was not aware of and made no decisions on behalf of Manley with respect to the post-judgment discovery at issue on this motion"

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2. The SLB Enterprise Obtained and Retained Money through the Commission of Bankruptcy Crimes.

518. Additionally, to keep money and property within the control of the enterprise and away from independent creditors, the Principals, the Executives, Toy Quest Ltd., Aquawood, Park Lane, and Dollar Empire (the "Sham Bankruptcy Conspirators") have perpetrated a criminal bankruptcy scheme that spans the globe.

a. The Sham Bankruptcy Conspirators Fraudulently Concealed Property.

519. The Sham Bankruptcy Conspirators violated 18 U.S.C. § 152(1) by knowingly and fraudulently concealing property belonging to the estate of a debtor (Manley) from both (a) officers of the court charged with the control or custody of property (Manley's Liquidators) and (b) independent creditors, in connection with a case under title 11.

520. Prior to the liquidation, the Sham Bankruptcy Conspirators and other members of the SLB Enterprise took several steps to hide Manley's assets from its future liquidators and its independent creditors.

521. The Sham Bankruptcy Conspirators divested Manley of six luxury automobiles—a Bentley, a Ferrari, a Porsche, a Jaguar, and two Mercedes Benz sedans—writing them off as "depreciated." They simultaneously divested Manley of other assets.

522. As described above, the Sham Bankruptcy Conspirators and other members of the SLB Enterprise likewise concealed millions of dollars of Manley's accounts receivables due to Manley using its "Toy Quest" name.

523. Each invoice set forth in Exhibits A-E to Aviva's RICO Complaint seeking payment to Toy Quest Ltd. of money actually owed to Manley was sent, or caused to be sent, with the knowledge that it was fraudulent and with the intent to conceal Manley's property in violation of 18 U.S.C. § 152(1).

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524. Each transaction involving money owed to Manley set forth in Exhibits F, G, and H, including transactions made after March 24, 2016, was made, or caused to be made, with the knowledge that it was fraudulent and with the intent to conceal Manley's property in violation of 18 U.S.C. § 152(1).

525. The purpose of these fraudulent transfers and concealment was to hide the money from creditors and ensure that the SLB Enterprise could take and keep those funds for itself.

526. In addition, the Sham Bankruptcy Conspirators fraudulently transferred and concealed Manley's electronic records, which were removed before the filing of Manley's chapter 15 petition for recognition on March 24, 2016.

527. The Sham Bankruptcy Conspirators failed to provide those documents to the Liquidators prior to March 24, 2016, then refused to produce them in response to requests for discovery served in the Bankruptcy Court, to prevent the Bankruptcy Court or independent creditors from obtaining further evidence of the Sham Bankruptcy Conspirators' conduct.

b. The Sham Bankruptcy Conspirators Made False Oaths in Connection with Manley's Bankruptcy Case.

528. Dubinsky and Gary Chan violated 18 U.S.C. § 152(2) by knowingly and fraudulently making false oaths or accounts in Manley's bankruptcy case.

529. On September 22, 2017, in a deposition taken in Manley's bankruptcy case, Gary Chan gave, at a minimum, the following false testimony under oath:

a) That he lacked knowledge of the identity of the head of Park Lane—the company for which he allegedly worked;

b) That he lacked knowledge regarding the reason he is identified as a director of multiple Manley affiliates; and

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c) That he had extremely limited information about Toy Quest Ltd.—the company whose interrogatory answers he already had verified.

530. On September 26, 2017, also in a deposition taken in Manley's bankruptcy case, Dubinsky gave, at a minimum, the following false testimony under oath:

a) That he lacked knowledge of the relationship between Complex Trader, the alleged owner of Aquawood, and the Chan family;

b) That he lacked knowledge regarding the ownership of Complex Trader;

c) That he lacked knowledge regarding the products sold by Manley;

d) That he lacked knowledge regarding Manley's use of the "Toy Quest" trade name; and

e) That he did not know—just months after submitting a declaration he had signed in Vancouver (the supposed home of "Gary Swerdlow," discussed below)—if he had ever been to Vancouver.

c. The Sham Bankruptcy Conspirators Made False Declarations in Connection with Manley's Bankruptcy Case.

531. Chan, Dubinsky, Gary Chan, and "Gary Swerdlow" violated 18 U.S.C. § 152(3) by knowingly and fraudulently making false declarations or statements under penalty of perjury in or in relation to Manley's bankruptcy case.

532. In the Hong Kong proceedings, Toy Quest Ltd. sought to preclude Ackelson and other independent creditors from arguing that Toy Quest Ltd. was a trade name and/or alter ego of Manley.

533. On or about August 16, 2016, Samson Chan submitted an affirmation to a court in Hong Kong, where Toy Quest Ltd. had filed lawsuits against Ackelson and other creditors, including Aviva and the other Iowa victims.

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a) In that affirmation, Chan made multiple false statements in which he falsely denied knowledge that Manley had been operating as "Toy Quest Ltd."

b) Accordingly, Chan knowingly and fraudulently made false statements in his affirmation.

534. On or about August 16, 2016, "Gary Swerdlow" submitted an affirmation to the Hong Kong court.

a) In that affirmation, "Swerdlow" claimed to have spoken with multiple retailers that no longer would do business with Toy Quest Ltd. due to Aviva's judgment enforcement efforts.

b) However, none of those retailers had any record of any contact with "Gary Swerdlow," and one retailer confirmed that it had *not* had any contact with any "Gary Swerdlow."

c) In addition, the address listed by Swerdlow in his affirmation does not exist.

d) If Swerdlow himself exists, his statements regarding fictitious contact with retailers and his false address were knowingly and fraudulently made.

535. The Chan and Swerdlow affirmations were in relation to the Manley bankruptcy case before the Bankruptcy Court.

536. Additionally, Gary Chan submitted multiple verifications under penalty of perjury to the Bankruptcy Court in April 2017.

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537. Gary Chan's first verification claimed that he had approved Toy Quest Ltd.'s decision to participate in the Tennessee Action in violation of the Bankruptcy Stay and that Dubinsky, Raucher, and Mann were "consulted."

538. Toy Quest Ltd.'s amended answers reversed the roles of Gary Chan and Dubinsky, stating that Dubinsky "approved" the decision, Gary Chan "consented to" the decision, and Raucher and Mann were "consulted."

539. Chan verified both answers, which cannot both be true, under penalty of perjury. Accordingly, at least one of Chan's verifications under penalty of perjury was false.

d. The Sham Bankruptcy Conspirators Made False Claims for Proof.

540. Toy Quest Ltd. and other Manley affiliates submitted false claims for proof against Manley's estate, in violation of 18 U.S.C. § 152(4).

541. In these claims, submitted in Manley's Hong Kong liquidation, the companies alleged that they were creditors of Manley.

542. Financial records from just a few months earlier demonstrate that those companies had been *debtors* of Manley.

543. As discussed above, the Principals gerrymandered Manley's financial affairs by routing money through Manley to pay off a loan on which all of the affiliated companies were co-obligors.

544. In truth, Toy Quest Ltd. and the other affiliated companies were only paying off their own debt. By routing the "loan payment" through Manley however, they claimed to be creditors of Manley.

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545. This claim was false. The routing of money was nothing more than a financial sleight of hand designed to cheat independent creditors during the Hong Kong liquidation and bankruptcy proceedings.

546. Manley's Liquidators relied on these false proofs of claim in the chapter 15 bankruptcy proceeding in the United States. In drafting their verified petition for recognition of the Hong Kong liquidation proceeding in the chapter 15 bankruptcy proceeding, Manley's Liquidators alleged that Manley's "Creditors" had passed a resolution confirming the Liquidators' appointment and providing authority to act under Hong Kong law. Without the fraudulent proofs of claim, the Principals would not have been able to authorize the Liquidators to act.

547. Manley's Liquidators also relied upon Toy Quest Ltd.'s fraudulent proof of claim to take money from Toy Quest Ltd. as a funding creditor. If Toy Quest Ltd. had in fact been recognized as a debtor of Manley, the Liquidators' willingness to take Toy Quest Ltd.'s money, and block litigation efforts in the United States, would have been blatantly improper under any conceivable standard of impartiality.

548. In opposing Aviva's efforts to obtain documents and information, and in supporting their petition for liquidation and related decision-making and litigation efforts, Manley's Liquidators continued to rely upon the fraudulent proofs of claim.

549. In addition, Toy Quest Ltd. itself directly asserted its purported status as a Manley creditor in the chapter 15 bankruptcy proceedings.

e. The Sham Bankruptcy Conspirators Fraudulently Received Property.

550. The Sham Bankruptcy Conspirators fraudulently received payments, books, and records belonging to Manley, in violation of 18 U.S.C. § 152(5).

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551. When Manley filed its Chapter 15 petition for recognition of the Hong Kong bankruptcy, it was owed millions of dollars in outstanding payments for goods that Manley sold using the "Toy Quest Ltd." trade name.

552. By order of the Bankruptcy Court, those payments could not be removed from the United States.

553. Nevertheless, Toy Quest Ltd. sought and received more than $7 million in payments for goods sold by Manley, including the payments after March 24, 2016 set forth in Exhibits F through H.

554. In addition, the Sham Bankruptcy Conspirators caused Manley's books and records, including electronically stored information, as well as several vehicles to be taken and hidden from Manley's Liquidators.

555. Each of those takings constituted the knowing and fraudulent receipt of material amounts of property from a debtor after the filing of a case under title 11, with intent to defeat the provisions of title 11.

f. The Sham Bankruptcy Conspirators Made Fraudulent Payments for Acting or Forbearing to Act in a Case under Title 11.

556. The Sham Bankruptcy Conspirators made payments to lawyers and the Liquidators in violation of 18 U.S.C. § 152(6).

557. The Principals did not intend for Manley's Chapter 15 petition in the United States to allow an orderly marshaling of assets and winding up of affairs.

558. Rather, the petition was designed to protect sham creditors while blocking independent creditors' efforts to collect debts owed to them by the SLB Enterprise.

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559. Accordingly, payments to Manley's Liquidators and counsel, as well as Toy Quest Ltd.'s bankruptcy counsel, were knowingly and fraudulently made in an effort to get those individuals to act in a case under Title 11—Manley's bankruptcy case.

560. Those payments funded the filing of the chapter 15 petition, which imposed an automatic stay of all actions against Manley, including Aviva's then-pending motion for sanctions in Minnesota, as well as Aviva's efforts to garnish funds in the Middle District of Tennessee and other jurisdictions to satisfy its judgment. As a result of the stay, Aviva no longer was able to compel Manley to produce documents and information.

561. Those payments also were used to fund efforts to block Aviva from taking discovery from the Liquidators and Toy Quest Ltd. and obstruct Aviva from compelling Toy Quest Ltd.'s compliance with various orders.

562. Those payments also funded the Liquidators' efforts to oppose Aviva's request for stay relief to pursue alter-ego and fraudulent-transfer claims, as well as the Liquidators' failure to enforce the stay against participants in the SLB Enterprise.

g. The Sham Bankruptcy Conspirators Fraudulently Transferred and Concealed Property.

563. The Sham Bankruptcy Conspirators transferred and concealed assets, documents, and information in violation of 18 U.S.C. § 152(7).

564. Since at least July 2013 through March 23, 2016, the Sham Bankruptcy Conspirators contemplated that Manley would pursue one or more bankruptcy proceedings in the event that it could not otherwise defeat or evade pending and prospective U.S. judgments.

565. In contemplation of a bankruptcy proceeding and/or to defeat the provisions of title 11, as detailed above, the Principals took steps to artificially strip Manley of assets in order to defraud Manley's creditors.

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566. The Principals also misled the Liquidators in order to defraud and conceal assets from Manley's creditors.

a) As a result of the Principals' conduct, Manley's Liquidators purportedly believed that Manley had conducted little to no business in the United States in recent years. Consequently, the Liquidators also failed to contact business parties, like Dollar Empire, that owed millions of dollars to Manley when the liquidation recognition process began.

b) The Liquidators purportedly did not know that Manley had been operating as "Toy Quest Ltd." until the week before Manley's liquidation filing.

c) Liquidator Mat Ng offered a declaration dated March 22, 2016, in which he stated that Manley's primary assets in the United States were limited to a $5 million claim against TRU. Ng relied entirely on documents and information provided by the Principals regarding Manley's financial affairs, which did not disclose the sales made by Manley while it was using Manley's "Toy Quest Ltd." name. Relying on financial information supplied by the Principals, Ng failed to identify the millions of dollars owed to Manley by retailers such as Dollar Empire, Dollar General, Target, Bed Bath & Beyond, and Costco.

d) In a supplemental declaration dated April 25, 2016, Ng identified "realizable assets" in the United States of less than US$100,000. In truth, Dollar Empire alone owed more than 40 times that amount to Manley.

e) Ng's supplemental declaration also attached a "Statement of Affairs" prepared by Manley that set forth the company's liabilities. That

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Statement of Affairs was false and misleading because it failed to accurately reflect the nature of Manley's dealings with its affiliates.

f) Ng testified on May 12, 2016, before the Bankruptcy Court, that he believed that Manley and Toy Quest Ltd were separate companies that had conducted business independently. That statement was false.

g) The minutes of a meeting between Chan and the Liquidators stated that Chan became aware on March 11, 2016, that Manley was insolvent. Ng testified on May 13, 2016, that those minutes were false, and that Chan knew much earlier than that date that Manley was insolvent.

h) The Liquidators' petition for recognition stated that Manley's corporate parent was Teng Yue Holdings. But Manley's corporate disclosure statements filed in United States District Courts in 2015 claimed that the company had no corporate parent; Ng admitted that those statements were inconsistent.

567. The Sham Bankruptcy Conspirators' efforts to take assets, documents, and information owed to Manley, such as the retailer payments and Manley's books and records, also constituted the knowing and fraudulent transfer of property of a debtor in a case under Title 11.

568. In addition, the Sham Bankruptcy Conspirators' failure to disclose those assets, documents and information—including Manley books and records held by Aquawood in California—to Manley's Liquidators constituted the knowing and fraudulent concealment of property of a debtor in a case under Title 11.

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h. The Sham Bankruptcy Conspirators Fraudulently Concealed and Withheld Information.

569. Finally, the Sham Bankruptcy Conspirators concealed and withheld information in violation of 18 U.S.C. § 152(8) and (9).

570. The Liquidators testified on May 12, 2016 that "Manley's related companies currently have custody of the server or servers used" to store Manley's emails electronically." The Liquidators further testified that the Liquidators were not granted "access to the underlying general server." By refusing to grant access to the Liquidators, the Principals and certain Corporate Shell Defendants withheld critical information relating to Manley's financial affairs.

571. At Aviva's insistence, the Liquidators requested documents relating to bank loans extended to Manley and its affiliates that were secured by the proceeds of the sales of Manley products from the Principals and the banks. But the Liquidators could not obtain Manley's bank loan documents because other borrowers on the loans—including Toy Quest Ltd.—would not consent to the documents' production.

572. The Liquidators also have taken possession of only a small subset of Manley's books and records. At Aviva's request, the Liquidators sent three letters on May 9, 2016 about obtaining Manley's books and records, one to Manley's board of directors, one to Teng Yue, and one to Chan. To Ackelson's knowledge, there has been no response to these letters.

3. The SLB Enterprise Has Illegally Concealed Evidence and Assets.

a. The RICO Defendants Obstructed Justice by Concealing Evidence.

573. As described above, in order to unlawfully deprive independent creditors like Ackelson of the value of their judgments against SLB Companies such as MTD, the RICO Defendants corruptly concealed evidence with the intent to prevent independent creditors from

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being able to use this evidence in official proceedings in federal courts across the United States, in violation of 18 U.S.C. § 1512(c)(1).

574. Because they concealed this evidence in order to obstruct, influence, or impede official proceedings before those courts, the RICO Defendants acted in violation of 18 U.S.C. § 1512(c)(2) as well.

b. RICO Defendants Concealed Assets by Falsely Listing MTD and Dollar Empire as Consignees of Other SLB Companies.

575. Since at least 2014, the Principals, the Executives, Aquawood, Banzai International, Park Lane, and Dollar Empire have violated 18 U.S.C. § 542 in that they have imported merchandise into the United States by submitting false and fraudulent invoices, declarations, affidavits, letters, papers, and statements to U.S. Customs and others as follows:

a) From at least 2014 through 2015, SLB Enterprise members, including but not limited to the Principals, Toth, Toy Quest Ltd., and MTD, falsely listed MTD as the importer of record and/or consignee for "Toy Quest Ltd." in order to conceal assets from independent creditors.

b) Since at least March 2016 to the present, SLB Enterprise members, including but not limited to the Principals, Wu, Dollar Empire, and Banzai International, have falsely listed Dollar Empire as the importer of record and/or consignee for Banzai International and other SLB Companies in order to conceal assets from independent creditors.

576. By importing merchandise in this way, the above-mentioned Defendants have enabled the SLB Enterprise to continue importing SLB Products into the United States from Hong Kong while unlawfully depriving independent creditors of their ability to enforce judgments against SLB Companies.

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4. Defendants Have Transferred Millions of Dollars between the United States and Hong Kong, in Violation of Federal Criminal Laws.

577. In violation of U.S. money laundering laws, the RICO Defendants also have engaged in numerous financial transactions that involved proceeds from and/or were intended to promote the carrying on of certain specified unlawful activity, as defined by 18 U.S.C. § 1956(c)(7), including the above-described violations of 18 U.S.C. §§ 542 (customs fraud), 1343 (wire fraud), and, for transactions occurring after March 23, 2016, 152 (bankruptcy offenses) (collectively the "Money Laundering Predicates").

578. The commission of the Money Laundering Predicates allowed the SLB Enterprise to keep and receive millions of dollars (the "criminal proceeds"), including money that was due to Ackelson and other creditors.

579. Each of the transactions described below occurred in whole or in part in the United States and/or was committed by one or more United States persons, as defined by 18 U.S.C.§ 3077(2)(A),(B),(C)(E), and/or (F).

a. The RICO Defendants Illegally Transferred Money from the United States to Hong Kong.

580. The following transactions in 2016 and 2017 constituted criminal money laundering in violation of 18 U.S.C. § 1956(a)(1)(a), § 1956(a)(2)(a), § 1956(a)(2)(b), and (for each transaction over $10,000), 18 U.S.C. § 1957.

581. Exhibits F-H to Aviva's Rico Complaint are charts of payments made to Toy Quest Ltd.

582. Each transaction was a "monetary transaction" because each transaction involved the deposit, withdrawal, transfer, or exchange, in or affecting interstate or foreign commerce, of funds or a monetary instrument (as defined in 18 U.S.C. § 1956(c)(5)), by, through, or to a financial institution.

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583. Each transaction was a payment made from the United States to Hong Kong.

584. Each transaction involved the proceeds of multiple crimes, including the Money Laundering Predicates.

585. For example, each transaction represented the proceeds of violations of 18 U.S.C. § 542 because the products for which payment was made constituted imported merchandise that was introduced into the commerce of the United States by means of fraudulent or false invoices, declarations, affidavits, letters, papers, false statements, and/or false or fraudulent practices or appliances.

a) In many instances, the RICO Defendants concealed the true source of the goods—MTD or Manley—behind the names of Toy Quest Ltd., Genesis, and other participants in the SLB Enterprise.

1. Attached as Exhibit I to Aviva's RICO Complaint is a table listing of invoices submitted to Dollar Empire in 2016. Each shipment(s) of products reflected in an invoice was accompanied by fraudulent or false invoices, declarations, affidavits, letters, or papers because each shipment failed to identify MTD or Manley as the true seller of the goods. That document was filed publicly and is attached here as Exhibit B.

2. Attached as Exhibit J to Aviva's RICO Complaint is a table listing purchase orders placed by Bed Bath and Beyond between 2013 and 2016. Each resulting shipment was accompanied by fraudulent or false invoices, declarations, affidavits, letters, or papers because

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each shipment failed to identify MTD or Manley as the true seller of the goods.

3. Attached as Exhibit K to Aviva's RICO Complaint is a table listing the dates and ports of entries of shipments to Target in 2015 and 2016. Each shipment was accompanied by fraudulent or false invoices, declarations, affidavits, letters, or papers because each shipment failed to identify MTD or Manley as the true seller of the goods.

b) In other instances, the RICO Defendants concealed the true destination of the goods by designating an SLB Enterprise company as the recipient or consignee.

586. Each transaction also violated 18 U.S.C. § 1343 because it was transmitted via interstate and/or international wire transmission, in furtherance of the fraudulent scheme.

587. Each transaction occurring after March 24, 2016, also violated 18 U.S.C. § 152 because it was a fraudulent transfer or concealment of property that would have belonged to Manley's estate. Each such transaction was made, or caused to be made, by the RICO Defendants with the knowledge that it was fraudulent and with the intent to conceal the property of Manley in violation of 18 U.S.C. § 152(1) and receive material amounts of property owed to Manley in violation of 18U.S.C. § 152(5). For example, as seen in Exhibit I to Aviva's RICO Complaint, Dollar Empire helped the SLB Enterprise conceal millions of dollars of Manley assets through dozens of transactions in the two and a half months leading up to Manley's liquidation.

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b. The RICO Defendants Transferred Money from Hong Kong to the United States.

588. In addition, the RICO Defendants committed other violations of 18 U.S.C. § 1956(a)(2)(A) by sending money from Hong Kong to Aquawood, MGS, and the SLB Enterprise's attorneys in the United States, because those payments were used to fund the SLB Enterprise's ongoing efforts to defraud creditors and carry out the Money Laundering Predicates

589. The U.S. operations of Aquawood and MGS have been funded by the SLB Enterprise from Hong Kong.

590. As part of those operations, Aquawood and MGS personnel coordinated the shipments of products to U.S. retailers in conjunction with Manley/Park Lane employees in Hong Kong. Those personnel claimed to be acting on behalf of Toy Quest Ltd. or, later, Banzai.

591. Aquawood and MGS personnel also have colluded in the purported "consignee" relationship between Dollar Empire and the SLB Enterprise and have assisted the SLB Enterprise in sending "consigned" goods to U.S. retailers.

592. Likewise, the SLB Enterprise's counsel in the United States—including attorneys at Archer & Greiner P.C., Goodwin Procter LLP, Reuben, and Novack, as well as others in Texas, Tennessee, and New Jersey (the "U.S. Counsel")—were paid with funds originating in Hong Kong.

593. The U.S. Counsel were used to file pleadings, motions, and papers in the United States Courts and ensure that the SLB Enterprise could continue to carry out the Money Laundering Predicates. Likewise, the U.S. Counsel were used to interfere with creditor efforts to curtail the Money Laundering Predicates.

594. Thus, for each of the payments to Aquawood, MGS, and U.S. Counsel, the RICO Defendants knowingly transported, transmitted, or transferred the funds identified in each

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transaction, or caused the funds to be transported, transmitted or transferred, from Hong Kong to the United States.

595. The RICO Defendants transported, transmitted, or transferred the funds identified in each transaction, or caused the funds to be transported, transmitted or transferred, with the intent to promote the carrying on of the Money Laundering Predicates.

c. The RICO Defendants Have Laundered Millions of Dollars by Transferring Criminal Proceeds Between the United States and Hong Kong.

596. The RICO Defendants' ongoing commission of the Money Laundering Predicates has resulted in substantial U.S. revenue accruing to the SLB Enterprise (the "criminal proceeds"), including money that was rightfully due to Ackelson and other independent creditors.

597. Knowing that the financial transactions, as defined in 18 U.S.C. § 1956(c)(4), represent the proceeds of some form of unlawful activity, RICO Defendants have transferred millions of dollars in criminal proceeds between the United States and Hong Kong as follows:

a) RICO Defendants transferred criminal proceeds with the intent to promote the carrying on of one or more of the Money Laundering Predicates, in violation of 18 U.S.C. §§ 1956(a)(1)(A)(i) and 1956(a)(2)(A);

b) RICO Defendants knowingly transferred criminal proceeds, knowing that the money involved the proceeds of some form of unlawful activity and that the transfer was designed in whole or in part to conceal or disguise the nature, the location, the source, the ownership, or the control of the criminal proceeds, in violation of 18 U.S.C. § 1956(a)(2)(B)(i); and

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c) RICO Defendants knowingly engaged in money transactions involving criminal proceeds in amounts greater than $10,000, in violation of 18 U.S.C. § 1957.

598. These money laundering offenses have harmed Ackelson and other independent creditors by preventing them from being able to enforce their respective judgments against members of the SLB Enterprise.

B. The RICO Defendants Have Conducted the Affairs of an Enterprise Through a Pattern of Racketeering That Victimized Ackelson.

599. As described in Section III, the RICO Defendants have conducted, and continue to conduct, the affairs of the SLB Enterprise through a pattern of related and continuous predicate acts as defined by 18 U.S.C. §1961(1), in that they committed violations of 18 U.S.C. §§ 152 (bankruptcy offenses), 1343 (wire fraud), 1512 (obstruction of justice), and 1956-57 (money laundering) (collectively "the Predicate Crimes").

600. Through the commission of the Predicate Crimes, the RICO Defendants have conducted, and continue to conduct, the affairs of the SLB Enterprise through a pattern of related and continuous predicate acts as defined by 18 U.S.C. §1961(1).

601. The Predicate Crimes committed or caused to be committed by the RICO Defendants constituted a variety of unlawful activities, each conducted with the common purpose of keeping money that rightfully belonged to independent creditors.

602. Each Predicate Crime was committed or caused to be committed by the RICO Defendants with the common purpose of generating and keeping money for the SLB Enterprise at the expense of independent creditors.

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603. Each instance of racketeering activity alleged above and herein was related, involved the same or similar participants and methods of commission, and had similar results affecting similar victims, including Ackelson.

604. The Predicate Crimes were related and not isolated events. The last racketeering incident occurred well within five years of the commission of a prior incident of racketeering.

605. Many of the precise dates of the RICO Defendants' criminal actions at issue here have been hidden and cannot be alleged without access to the books and records of the Defendants and the SLB Enterprise. An essential part of the successful operation of the pattern of racketeering alleged herein depended upon secrecy.

606. Indeed, RICO Defendants such as MGS and Dollar Empire have vigorously fought independent creditors for years—defying court orders when necessary—as Ackelson and other creditors have attempted to obtain this information through proper legal channels. Despite courts agreeing to impose sanctions against such RICO Defendants as Chan, Alan Chan, Dubinsky, Toy Quest Ltd., and Aquawood, the RICO Defendants continue to obstruct and evade such efforts to uncover the truth.

607. None of Ackelson's claims are barred by any applicable statute of limitations.

608. Much of the racketeering activity, which is ongoing, has occurred in the last two years.

609. Ackelson could not have learned that she had been injured by this judgment evasion scheme before the *Ackelson I* judgment was issued in 2017.

610. The pattern of racketeering activity alleged herein is continuing as of the date of this Complaint and, upon information and belief, will continue into the future.

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611. Indeed, the RICO Defendants' racketeering has continued unabated and, without the intervention of the courts, is likely to continue because it now has become the SLB Enterprise's regular way of conducting certain business.

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CAUSES OF ACTION

COUNT I:

PIERCING THE CORPORATE VEIL

(Against the Corporate Veil Defendants)

612. Ackelson re-alleges and incorporates by reference all preceding paragraphs, and alleges as follows:

613. The Corporate Veil Defendants have used Iowa Judgment Debtors MTD, MGS, Aquawood and Toy Network to deprive Ackelson of her ability to collect on the *Ackelson I* judgment.

614. These Iowa Judgment Debtors are not separate companies which serve legitimate business purposes.

615. Rather, they are mere shells that have been used by the Corporate Veil Defendants to perpetuate fraud and promote injustice.

616. This action to pierce the corporate veil of the Corporate Veil Defendants is an action by a judgment creditor under a judgment entered in an action founded on tortious conduct.

617. The Principals have used the Iowa Judgment Debtors and the other Corporate Veil Defendants alike to cheat Ackelson through their perpetual game of "corporate three card monte."

618. Ackelson did not elect to play this game and is not a voluntary creditor of the Iowa Judgment Debtors.

619. Rather, she became an involuntary judgment creditor because she was injured by tortious conduct for which the Iowa Judgment Debtors are liable.

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620. An involuntary judgment creditor like Ackelson has more equities in favor of enforcing the equitable remedy of piercing the corporate veil than does a voluntary judgment creditor in a contract case.

a) Ackelson is not like a voluntary creditor with a breach of contract judgment against judgment debtors whom she had reason to know might be undercapitalized and unable to perform the contract in the future, and who could have protected herself with personal guarantees, collateral, or simply refusing to contract.

b) When Ackelson located a job opportunity at 1800 N. 9th Street, Indianola, Iowa, in reasonably close proximity to her residence, and obtained a job opportunity there, she had no reason to know that in the future she would become a judgment creditor of the Iowa Judgment Debtors in *Ackelson I*.

c) Ackelson had no reason to conduct any due diligence on the corporate organization and capitalization of the Iowa Judgment Debtors, obtaining guarantees from other persons or entities, or collateralizing any debt or promise, because she did not know she would become the target of sexual harassment at her workplace.

d) Ackelson's position as a judgment creditor in an action founded upon tortious conduct is therefore a different position than would be occupied by a judgment creditor in a contract action who voluntarily and knowingly accepted the risk that the judgment debtor was undercapitalized and might not be able to pay a judgment in the future.

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621. Corporate Veil Defendants Toy Network-HK, Toy Quest Ltd., Banzai International and Park Lane are themselves mere shells which serve no legitimate business purposes and are used primarily as intermediaries to perpetrate fraud and promote injustice.

622. Indeed, these companies have such unity of interest and ownership that the individuality of the corporations and their owners have ceased and the facts demonstrate that observance of the fiction of separate existence would, under the circumstances of this case, promote an injustice upon Ackelson.

623. The Iowa Judgment Debtors and Corporate Veil Defendants alike were organized and maintained as undercapitalized businesses to protect against potential future liabilities arising as a consequence of the business activities of the SLB Enterprise in the United States.

624. The undercapitalization of judgment debtor companies in actions founded on tortious conduct is of very high importance in piercing the corporate veil of any company whose corporate form is being used by any person or company to abuse the corporate form to promote injustice and/or avoid payment of judgments or other legal obligations.

625. The business activities carried on at 1800 N. 9th Street, Indianola, during the time period in which the unlawful sexual harassment acts were committed were used to carry on activities necessary for the promotion and conduct of the SLB Enterprise, which is directed by the Principals.

626. The Principals control most—if not all—of the SLB Companies, which include, but are not limited to, the other Corporate Veil Defendants, the Iowa Judgment Debtors, MGS, Toy Warehouse LLC, and Toy Box Ltd.

627. The Corporate Veil Defendants have used the corporate form through undercapitalized corporations including Iowa Judgment Debtors MTD and Toy Network, which

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are mere shells serving no legitimate business purpose and are used primarily as intermediaries to promote fraud or an injustice upon judgment creditors like Ackelson.

628. The Corporate Veil Defendants have abused the corporate privilege and actively participated in the conduct of the corporate affairs of the Iowa Judgment Debtors and have provided inadequate capitalization for these judgment debtors.

629. The Corporate Veil Defendants and Iowa Judgment Debtors do not maintain separate books.

630. The finances and obligations of the Toy Network-HK, Toy Quest Ltd, Banzai and Park Lane are not kept separate from the finances and obligations of the Principals or the Iowa Judgment Debtors.

631. MTD, Toy Network Toy Network-HK, Toy Quest Ltd, Banzai and Park Lane and the Iowa Judgment Debtors do not follow other corporate formalities.

632. These companies are not legitimate businesses, but are rather sham companies that exist to protect the SLB Enterprise from liabilities.

633. Therefore, the corporate form of Iowa Judgment Debtors MTD and Toy Network and of Corporate Veil Defendants Toy Network-HK, Toy Quest Ltd., Banzai International, and Park Lane must be disregarded and their corporate veils must be pierced.

634. Ackelson is entitled to execute her judgment against the Corporate Veil Defendants under Iowa state law, based on the equitable powers of Iowa courts to secure complete justice and make plaintiffs whole.

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COUNT II:

RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT
18 U.S.C. § 1962(c)

(Against the RICO Defendants)

635. Ackelson re-alleges and incorporates by reference all preceding paragraphs, and alleges as follows:

636. Ackelson brings this Count against the RICO Defendants.

637. At all relevant times, Ackelson and all RICO Defendants were "persons" under 18 U.S.C. § 1961(3) because they were entities capable of holding "a legal or beneficial interest in property."

638. The RICO Defendants are employed by or associated with the SLB Enterprise, an association-in-fact enterprise engaged in, and whose activities affect, interstate commerce.

639. The RICO Defendants agreed to and did conduct and participate in the conduct of the enterprise's affairs through a pattern of racketeering activity and for the unlawful purpose of intentionally defrauding independent creditors, including Ackelson.

640. Pursuant to and in furtherance of their fraudulent scheme, the RICO Defendants committed multiple related instances of the Predicate Crimes.

641. The Predicate Crimes set forth in Section IV constitute a pattern of racketeering activity pursuant to 18 U.S.C. § 1961(5).

642. The RICO Defendants have directly and indirectly conducted and participated in the conduct of the enterprise's affairs through the pattern of racketeering and activity described above, in violation of 18 U.S.C. § 1962(c).

643. As a direct and proximate result of the RICO Defendants' racketeering activities and violations of 18 U.S.C. § 1962(c), Ackelson has been injured in her business and property in

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that she has been unable to fully collect on the *Ackelson I* judgment and has incurred significant legal costs in her effort to enforce the judgment and uncover and resist the pattern of racketeering.

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COUNT III:

RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT
18 U.S.C. § 1962(d)

(Against the RICO Defendants)

644. The allegations of the preceding paragraphs are incorporated herein by reference.

645. This count is against the RICO Defendants.

646. As set forth above, the RICO Defendants agreed and conspired to violate 18 U.S.C. § 1962(c).

647. The RICO Defendants have intentionally conspired and agreed to directly and indirectly use or invest income that is derived from a pattern of racketeering activity in an interstate enterprise, acquire or maintain interests in the enterprise through a pattern of racketeering activity, and conduct and participate in the conduct of the affairs of the enterprise through a pattern of racketeering activity. The RICO Defendants knew that their Predicate Crimes were part of a pattern of racketeering activity and agreed to the commission of those acts to further the schemes described above. That conduct constitutes a conspiracy to violate 18 U.S.C.A. § 1962(c), in violation of 18 U.S.C. § 1962(d).

648. Each of the financial transactions and interstate or international communications, shipments, and acts of litigation described in Section IV constituted an overt act in furtherance of the RICO Defendants' conspiracy.

649. As a direct and proximate result of the RICO Defendants' conspiracy, the overt acts taken in furtherance of that conspiracy, and violations of 18 U.S.C. § 1962(d), Ackelson has been injured in her business and property in that she has been unable to fully collect on the *Ackelson I* judgment and has incurred significant legal costs in her effort to enforce the judgment and uncover and resist the pattern of racketeering.

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DAMAGES

650. Ackelson incorporates by reference all other paragraphs of this Complaint as if fully set forth here, and further alleges as follows.

651. As a direct and proximate result of the RICO Defendants' violations of 18 U.S.C. § 1962(c), (d) and their pattern of racketeering activity, Ackelson has been injured in her business and property in that she has been unable to fully collect on the *Ackelson I* judgment and has incurred substantial costs and expenses in her efforts to enforce and recover the judgment.

652. But for the Defendants' conduct, Ackelson would not have incurred the monetary losses described above and expressly incorporated herein by reference.

REQUEST FOR RELIEF

WHEREFORE, Ackelson requests that, subject to any applicable stay orders entered by a United States Bankruptcy Court, as such orders may be modified, this Court enter judgment against the Defendants for:

1. Damages of not less than $1.1 million, in an amount to be determined by the trier of fact;
2. Treble damages as provided by law;
3. Exemplary or punitive damages in an amount to be determined by the trier of fact as allowed by law;
4. All legal and equitable relief as allowed by law, except as expressly disavowed herein, including *inter alia* injunctive relief, restitution, disgorgement of profits, compensatory and punitive damages, and all damages allowed by law to be paid by Defendants

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a. In particular, Ackelson seeks an injunction preventing the RICO Defendants from selling, importing, distributing, or shipping SLB Enterprise products into the United States, or causing such products to be sold, imported, distributed, or shipped in the United States, through agents or otherwise; and

b. Ackelson seeks an injunction preventing the RICO Defendants from sending money or assets outside the United States or causing money or assets to be sent outside of the United States;

5. Post-judgment relief disregarding the corporate form of Toy Quest Ltd., Banzai International, Toy Network-HK, and Park Lane and ruling that the Corporate Veil Defendants are liable to Ackelson on the *Ackelson I* judgment;

6. Ruling that Ackelson can proceed to execute the *Ackelson I* judgment and award of attorney fees, legal assistant fees, and costs and expenses against the Corporate Veil Defendants as judgment debtors;

7. Attorney fees and costs; and

8. Pre- and post-judgment interest, in amounts to be determined by the finder of fact.

PLAINTIFFS DEMAND TRIAL BY JURY

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Dated: April 26, 2019

Respectfully submitted,

/s/ Bruce E. Johnson

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