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10  
11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
12 **COUNTY OF SAN FRANCISCO**  
13

14 HERBAN INDUSTRIES CA LLC,  
15 Plaintiff,  
16 v.  
17 EAZE TECHNOLOGIES, INC.,  
18 Defendant.  
19

Case No.

**CGC-19-576443**

**COMPLAINT FOR:**

1. Violation of California Unfair  
Competition Law, Cal. Bus. & Prof.  
Code § 17200, *et seq.*

**JURY TRIAL DEMANDED**

ENDORSED  
**FILED**  
San Francisco County Superior Court

JUN 04 2019

CLERK OF THE COURT  
BY: SANDRA L. SCHIRO  
Deputy Clerk

1 Plaintiff Herban Industries CA LLC (“Herban”), by and through its attorneys, brings this  
2 action against Eaze Technologies, Inc. (“Eaze”) and alleges as follows:

### 3 OVERVIEW OF THE DISPUTE

4 1. Herban brings this action to enjoin Eaze’s ongoing, pervasive criminal activity. To  
5 gain an unfair competitive advantage in the California cannabis delivery market, Eaze is directing,  
6 coordinating, and participating in a scheme to defraud credit and debit card companies and financial  
7 institutions into processing cannabis transactions in violation of a host of criminal laws, including  
8 prohibitions against: (1) wire fraud (18 U.S.C. § 1343); (2) bank fraud (18 U.S.C. § 1344); and (3)  
9 criminal fraud (Cal. Pen. Code § 532). By running a business that avoids the constraint of California  
10 and federal laws, Eaze has obtained an unfair advantage over its competitors, including Herban,  
11 who have been harmed and continue to be harmed by Eaze’s ongoing criminal acts. Herban brings  
12 this lawsuit to enjoin Eaze from continuing this criminal activity on the grounds that Eaze’s  
13 deliberate and wanton acts of wire fraud, bank fraud, and criminal fraud constitute unfair  
14 competition under the California Unfair Competition Law codified at California Business and  
15 Professions Code section 17200 *et seq.* (the “UCL”).

16 2. Eaze is a direct-to-consumer technology platform that facilitates the sale and delivery  
17 of cannabis to consumers. The Eaze application, website, and technology platform (together the  
18 “Eaze Platform”) enable consumers to order cannabis from different dispensaries available on the  
19 Eaze Platform, select the product of their choice, and receive delivery of that product shortly  
20 thereafter. While Eaze operates the Eaze Platform through which users purchase cannabis, it is not  
21 the actual retailer. The actual retailers, which are also referred to as dispensaries, are licensed by  
22 the Bureau of Cannabis Control (“BCC”). Eaze contracts with these dispensaries to fulfill orders  
23 placed by customers on the Eaze Platform. The cannabis for each order is supplied by the  
24 dispensaries, and the delivery is completed by employees of the dispensaries.

25 3. Eaze is a market leader in the direct-to-consumer cannabis delivery market. On  
26 information and belief, the Eaze Platform receives more consumer orders for cannabis than any  
27 competing application that permits the purchase and sale of cannabis. Indeed, numerous press  
28

1 reports have referred to Eaze as the “Uber of Weed”<sup>1</sup> and as California’s “most popular” and “largest  
2 marijuana delivery company.”<sup>2</sup>

3 4. However, Eaze’s rapid growth and dominant position are a result of the market  
4 advantage it has gained by flouting criminal laws prohibiting wire fraud and bank fraud. To increase  
5 sales on its platform, Eaze enabled the option to complete cannabis purchases by credit and debit  
6 card, even though credit and debit card companies prohibit the use of their products and services for  
7 cannabis- and marijuana-related transactions. As set forth in further detail below, the steps Eaze  
8 and its co-conspirators took and continue to take to evade these rules violate the law.

9 5. Various entities are involved in the processing of credit and debit card payments,  
10 including credit and debit card issuers, credit and debit card acquirers or processors, and companies  
11 that operate credit and debit card networks (collectively “Payment Card Companies”). The Payment  
12 Card Companies impose rules or policies that prohibit the use of their products and services for  
13 various activities that are considered high risk or are prohibited by federal law, including the  
14 purchase and sale of cannabis (collectively “Precluded Activities”). The Payment Card Companies  
15 have internal controls to verify that merchants that accept credit cards comply with these policies,  
16 the purpose of which is to ensure that their products and services are not used for Precluded  
17 Activities.

18 6. Eaze is directing, coordinating, and participating in a conspiracy to subvert the  
19 policies of the Payment Card Companies that continues to this day. By making it appear as though  
20 the credit and debit card transactions submitted on the Eaze Platform were for goods and services  
21 that the Payment Card Companies’ policies would permit (collectively “Permitted Activities”), Eaze  
22 caused (and continues to cause) those companies to unwittingly provide services and money for  
23

24 <sup>1</sup> See, e.g., Joshua Kosman, ‘Uber of Weed’ Wants to Raise \$100m Despite App Store Bans, New  
25 York Post (May 29, 2019), <https://nypost.com/2019/05/29/uber-of-weed-wants-to-raise-100m-despite-app-store-bans/>.

26 <sup>2</sup> See, e.g., Dianna Benjamin, *Eaze: California’s Most Popular/Controversial Weed Delivery*  
27 *Service*, WIKILEAF (Oct. 30, 2018), <https://www.wikileaf.com/thestash/eaze-delivery/>; Jace  
28 Larson, *Should Colorado allow marijuana delivery to homes in your neighborhood?*, The Denver  
Channel (Apr. 12, 2019), <https://www.thedenverchannel.com/news/360/should-colorado-allow-marijuana-delivery-to-homes-in-your-neighborhood>.

1 Precluded Activities they would not knowingly have provided. Specifically, as set forth in further  
2 detail below, Eaze conspires to disguise the cannabis transactions as transactions for dog toys, dive  
3 gear, carbonated drinks, drone components, and face creams, among other things, to obtain approval  
4 for these transactions. To perpetrate these frauds, Eaze created or partnered with Cyprus- and U.K.-  
5 based shell corporations that purport to sell these seemingly innocuous products but in fact exist  
6 solely or primarily for the purpose of misrepresenting the nature of the underlying transactions (the  
7 “Eaze Shell Companies”). This conspiracy to defraud Payment Card Companies and financial  
8 institutions is ongoing and continuous.

9         7. Eaze’s involvement with the Eaze Shell Companies is extensive. First, in  
10 conjunction with each customer order on the Eaze Platform, Eaze indicates to the consumer that the  
11 consumer’s credit or debit card statement charge for the cannabis purchase from the retailer will  
12 identify one of the Eaze Shell Companies, rather than the actual retailer. Second, while the Eaze  
13 Shell Company websites identify overseas addresses in Cyprus and the United Kingdom, the  
14 telephone support number for each is U.S.-based, and customer support personnel answering the  
15 calls for many of them confirm that the number is for Eaze customer support.

16         8. Eaze also conspired—and continues to conspire—to deceive and defraud banks and  
17 Payment Card Companies. To ensure that the payments sent back to the retailers (and by extension,  
18 Eaze) are not flagged by Payment Card Companies or other financial institutions, Eaze ensures that  
19 they are transferred between and among various overseas entities, converted from U.S. dollars into  
20 euros, and then returned to the United States in euros from an entity based in Gibraltar called  
21 “Spinwild” with which none of the retailers has ever actually done business. Further, Eaze  
22 executives used encrypted messaging programs to direct dispensaries to create phony invoices to  
23 Spinwild to create an “audit trail” in the event of an inquiry from the banks.

24         9. In sum, in an effort to increase profits and market share in the direct-to-consumer  
25 cannabis delivery market, Eaze broke and continues to break a host of state and federal laws,  
26 including: (1) the wire fraud statute (18 U.S.C. § 1343); (2) the bank fraud statute (18 U.S.C. §  
27 1344); (3) the California law prohibiting criminal fraud (Cal. Pen. Code § 532); and (4) the laws  
28 prohibiting conspiracies to commit these crimes.

1           10. Plaintiff Herban is the owner of Chill, a technology platform that competes with  
2 Eaze. Like Eaze, Chill facilitates the delivery of marijuana to California consumers. However,  
3 unlike Eaze, Herban does not engage in schemes to defraud Payment Card Companies and financial  
4 institutions. Put simply, Herban refuses to follow Eaze's lead and engage in violations of the federal  
5 laws prohibiting wire fraud and bank fraud and the California law prohibiting criminal fraud.

6           11. Because the Payment Card Companies do not permit the use of their products and  
7 services for Precluded Activities, there is no proven legal way for a direct-to-consumer cannabis  
8 technology platform to accept payments for cannabis transactions through the credit and debit card  
9 payment system. Yet, that is exactly what Eaze does, to increase its sales and market share relative  
10 to its competitors, including Herban. Herban, by contrast, does not permit customers to purchase  
11 cannabis on the Chill application by credit or debit card, because honestly representing the  
12 transactions would result in their denial, and Herban is unwilling to commit the myriad state and  
13 federal crimes necessary to push credit and debit transactions for cannabis through the credit and  
14 debit card rails and payment system.

15           12. Many consumers prefer the convenience of purchasing products by credit and debit  
16 card, as opposed to making cash payments. Several surveys confirm this. For example, in a 2017  
17 survey, a credit card processor asked over 1,000 consumers which payment form they prefer as  
18 between credit card, debit card, and cash. Only 12 percent of respondents specified a preference for  
19 using cash.<sup>3</sup> This finding is consistent with studies indicating a steady decline in the use of cash to  
20 purchase consumer goods.<sup>4</sup> Eaze's experience bears out this preference, and shows the competitive  
21 value of accepting credit and debit cards: on information and belief, during periods in which the  
22 Eaze Platform has accepted credit and debit card payments, Eaze's order volume has been  
23 approximately 300% higher than during periods in which Eaze—like Chill—only offered customers  
24

25 <sup>3</sup> Total Systems Services, Inc., *2017 TSYS® U.S. Consumer Payment Study* (2018),  
[https://www.tsys.com/Assets/TSYS/downloads/rs\\_2017-us-consumer-payment-study.pdf](https://www.tsys.com/Assets/TSYS/downloads/rs_2017-us-consumer-payment-study.pdf).

26 <sup>4</sup> *See, e.g.*, 2016 North America Consumer Digital Payments Survey at \*6, ACCENTURE (2016)  
27 (observing an ongoing decline in the number of consumers who report using cash regularly); Federal  
28 Reserve Payments Study 2016, FEDERAL RESERVE SYSTEM (2016),  
<https://www.federalreserve.gov/newsevents/press/other/2016-payments-study-20161222.pdf>  
(observing growth in card payments concurrent with a decline in ATM withdrawals).

1 the option to pay with cash. By illegally offering card payments, Eaze has been able to increase its  
2 sales volume, increase its market share, and further cement itself as a dominant technology platform  
3 facilitating the delivery of cannabis to California consumers, to Herban's detriment.

4 13. By conspiring to defraud the Payment Card Companies and financial institutions,  
5 Eaze is able to offer customers the option to purchase cannabis on the Eaze Platform via credit or  
6 debit card, which has provided Eaze with a significant—and unfair—competitive advantage over  
7 Herban. Specifically, Eaze offers cashless credit and debit card purchases whereas Herban does  
8 not. This competitive advantage is a direct result of Eaze's conspiracy to violate federal laws  
9 prohibiting wire fraud and bank fraud and the California law prohibiting criminal fraud. And it has  
10 caused and continues to cause Herban to suffer significant financial harm, including loss of market  
11 share, loss of profits, loss of customers, loss of business opportunities, and increased costs to  
12 compete with Eaze in the direct-to-consumer cannabis delivery market in California.

13 14. Eaze's conspiracy to violate the wire fraud statute, bank fraud statute, and the  
14 California law prohibiting criminal fraud constitutes unfair competition and violates the UCL, in  
15 that Eaze's practices are unlawful and unfair. Accordingly, by this Complaint, Herban seeks an  
16 injunction under California Business and Professions Code section 17203 ordering Eaze to  
17 immediately cease violating the law.

### 18 **PARTIES**

19 15. Defendant Eaze is a Delaware corporation with its principal place of business in San  
20 Francisco, California. Eaze was founded in or around July 2014 to facilitate the delivery of on-  
21 demand medical marijuana to individuals throughout the State of California and now has expanded  
22 that business to recreational marijuana. Until March 2019, Eaze was known as Eaze Solutions, Inc.

23 16. Plaintiff Herban is a California limited liability company that does business in the  
24 State of California. Herban is the owner of Chill, a technology platform that facilitates the delivery  
25 of marijuana to consumers throughout the State of California. Chill is a market competitor of Eaze.

### 26 **JURISDICTION AND VENUE**

27 17. This Court has jurisdiction over this action pursuant to the California Constitution,  
28 Article VI, Section 10, which grants to the Superior Court "original jurisdiction in all causes except

1 those given by statute to other courts.” The statute under which this action is brought, the UCL,  
2 does not specify that any other court has jurisdiction over claims brought thereunder.

3 18. This Court has personal jurisdiction over Eaze because Eaze resides in, conducts  
4 substantial business in, and engaged in the conduct giving rise to the claims stated herein within San  
5 Francisco County, California.

6 19. Venue is proper in this Court pursuant to Code of Civil Procedure section 395(a)  
7 because Eaze resides, transacts business, and has its headquarters in San Francisco County, and  
8 many of the acts and omissions alleged herein took place in the County of San Francisco.

9 **BACKGROUND**

10 **A. Overview of Credit Card and Debit Card Processing in Ecommerce**

11 20. Credit and debit card transactions are processed through payment networks, run by  
12 entities that provide authorization and settlement services for credit and debit card transactions.  
13 Financial institutions or acquiring banks, as members of these payment networks, can offer payment  
14 processing services directly to merchants, but more commonly partner with non-bank third parties,  
15 including payment processors, Independent Sales Organizations (“ISOs”), and Merchant Service  
16 Providers (“MSPs,” and together with ISOs and payment processors, “Processors”), for such third  
17 parties to process payments on behalf of the sponsoring financial institutions. These Processors  
18 must be registered with the payment networks.

19 21. A typical online credit card or debit card payment transaction consists of two parallel  
20 steps: (1) an authorization, followed by (2) clearing and settlement. The ordinary processes with  
21 respect to each of these steps is described below. While the entities and precise process may differ  
22 depending on the merchant, card network, and entities involved, the process set forth below is  
23 generally accurate with respect to the vast majority of credit and debit card purchases on the primary  
24 payment networks used for U.S.-based credit and debit card transactions.

25 22. **Credit and Debit Card Authorization.** Card authorization for an ordinary online  
26 purchase works as follows:

- 27 • The process begins when a cardholder initiates a transaction by entering a credit or debit  
28 card number, card expiration date, and other security features required by the merchant (*e.g.*,

the 3- or 4-digit CVV number, the cardholder's zip code, etc).

- The merchant uses its software or gateway to transmit the cardholder's information and the details of the transaction, including the name and location of the merchant, a description of the goods and services, the amount of the transaction, and the transaction date to its partner Processor.
- The Processor captures the transaction information and routes it through an appropriate card network to the cardholder's issuing bank to be approved or declined.
- The card issuer receives the transaction information from the Processor and responds by approving or declining the transaction after checking to ensure, among other things, that the transaction is valid and is not for a Precluded Activity, the cardholder has a sufficient credit line or balance to make the purchase, and the cardholder's account is in good standing.
- The card issuer sends a response code back through the appropriate network to the payment processor, and that code reaches the merchant's payment gateway and is stored in a batch file pending settlement.
- Once the merchant receives authorization, the issuing bank will place a hold for the amount of the purchase on the cardholder's account pending settlement.
- Finally, the merchant provides the customer a receipt to complete the sale. This complex process routinely takes place in a matter of seconds.

23. **Credit and Debit Card Clearing and Settlement.** Step two of the credit and debit card payment process, clearing and settlement, pertains to the recording of the movement of funds (clearing) and the actual flow of funds (settlement). This part of the process works as follows:

- In the clearing stage, the transaction is posted to both the cardholder's monthly credit or debit card billing statement and the merchant's statement.
- The issuing bank posts to each cardholder's account the transaction information that it received from the merchant (or the Processor after receiving it from the merchant), including the name of the merchant and purchase amount for each transaction.
- At regular intervals, the merchant sends its approved authorizations in a batch to its Processor, which in turn transmits the batched information to the appropriate payment



1 networks for settlement.

- 2 • The settlement stage begins when the networks forward each transaction to the appropriate
- 3 card issuing bank, which ordinarily will transfer funds for the approved transaction, less a
- 4 fee, within 24-48 hours.
- 5 • The payment networks then pay the acquiring bank and the Processor their respective
- 6 percentages from the remaining funds, after which the Processor pays the merchant an
- 7 amount equal to the cardholder purchases, minus a “merchant discount rate.”
- 8 • Finally, the issuing bank uses the information it has received for each transaction to prepare
- 9 monthly cardholder statements, which are distributed to cardholders. These statements
- 10 ordinarily identify each credit or debit card purchase made by the cardholder, the amount of
- 11 the purchase, and the name of the merchant. The issuing bank does not make an independent
- 12 inquiry into the name of the merchant—it lists the merchant identified with the original
- 13 payment transmission.

14 **B. Background on Credit and Debit Card Laundering**

15 24. Generally, to accept credit or debit card payments from consumers, a merchant must

16 establish a “merchant account” with its acquiring bank or Processor. Without a merchant account,

17 merchants cannot process credit or debit card sales transactions.

18 25. The payment networks generally require all participants in their networks, including

19 merchants and Processors, to comply with detailed rules governing the use of the payment networks.

20 These rules include requirements for acquiring banks and Processors to screen and underwrite

21 merchants to ensure they are legitimate businesses, and to prohibit merchants from engaging in

22 Precluded Activities. The payment network rules also prohibit credit and debit card laundering

23 (which is sometimes also referred to as credit or debit card factoring).

24 26. Credit and debit card laundering is the use of a merchant account for a purpose other

25 than the one for which it was opened and approved. Among other means, card laundering includes

26 the use of false merchant names, or merchants that purport to be conducting a legal business activity

27 but in fact either do not perform that activity or perform that activity in addition to Precluded

28 Activities, to qualify for a merchant account and obtain approval to submit card transactions for

1 processing. To conceal their identities, fraudulent merchants often create shell companies to act as  
2 fronts, and apply for merchant accounts under these shell company names. Once the merchant  
3 accounts are approved, the fraudsters launder their transactions through the shell companies'  
4 merchant accounts.

5 27. To avoid detection by the payment networks' and acquiring banks' monitoring  
6 programs, as well as to evade Processor underwriting or acquiring bank underwriting requirements,  
7 credit card launderers often spread out their sales transaction volume across multiple merchant  
8 accounts—a process commonly referred to as “load balancing.”

9 **GENERAL ALLEGATIONS**

10 28. Eaze has and continues to direct, coordinate, and participate in a conspiracy to  
11 defraud the Payment Card Companies and financial institutions by misrepresenting and falsifying  
12 the true nature of the products being purchased and sold on the Eaze Platform. This fraud and  
13 deception, which Eaze carries out using interstate and foreign wires, violates the federal laws  
14 prohibiting wire fraud and bank fraud, and the California law prohibiting criminal fraud. Eaze's  
15 violations of criminal law alleged herein are continuous and ongoing.

16 **A. The Eaze Platform and Customer Delivery Receipts, and the Eaze Shell**  
17 **Companies**

18 29. Eaze identifies itself as “the premiere technology platform connecting independent,  
19 authorized cannabis dispensaries with verified users, providing consumers with safe and secure  
20 access to legal cannabis.”<sup>5</sup> The Eaze Platform includes, among other things, Eaze's website, its  
21 technology platform, and its mobile phone applications.<sup>6</sup> Using the Eaze Platform, customers place  
22 orders for cannabis from retailers nearby, and retailers deliver cannabis and cannabis products to  
23 those consumers. The Eaze Platform “offers a method to connect authorized cannabis dispensaries  
24 and users, but does not itself provide or handle cannabis.”<sup>7</sup>

25  
26 <sup>5</sup> *Defendant Eaze Sols., Inc.'s Mot. to Compel Individual Arb. and Dismiss Action* at 4, No. 3:18-  
27 cv-02598-JD (N.D. Cal. June 22, 2018), ECF No. 17.

28 <sup>6</sup> *Declaration of Daniel Erickson* at ¶ 4, No. 3:18-cv-02598-JD (N.D. Cal. June 22, 2018), ECF No.  
17-1.

<sup>7</sup> *Id.*

1           30.     In order for a user to request and receive a delivery of cannabis through the Eaze  
2 Platform, the user must create an Eaze account either through the website or via the Eaze mobile  
3 application. Once the customer selects his or her product(s) for purchase, the Eaze Platform  
4 generates a check-out screen from the order where the customer can select between payment options,  
5 including credit or debit card. To pay by credit or debit, the Eaze Platform allows the customer to  
6 enter his or her card information and complete payment using that information. The Eaze Platform  
7 then stores that card information for future card purchases by the customer on the Eaze Platform.

8           31.     Once a customer places an order, a delivery driver employed by the dispensary  
9 delivers the ordered product to the customer. Once the delivery is complete, Eaze generates and  
10 transmits via email a “customer delivery receipt” that Eaze simultaneously sends over email to both  
11 the customer and the dispensary.

12           32.     The Eaze customer delivery receipts provide the customer with details of each  
13 transaction, including (i) an itemized description of the type and quantity of products ordered;  
14 (ii) the price; (iii) the delivery address; (iv) the name of the dispensary; and (v) taxes and delivery  
15 fees, among other things. In addition to this information, each Eaze customer delivery receipt  
16 indicates to the customer that in connection with the order, he or she “will see a charge from” an  
17 entity other than Eaze or the dispensary from which the customer purchased the product on his or  
18 her credit or debit card statement.

19           33.     As noted above, an ordinary credit or debit card purchase ultimately results in a card  
20 statement generated by the cardholder’s issuing bank and sent to the cardholder. Such statements  
21 identify each credit or debit card purchase made by the cardholder during the relevant payment  
22 period, including the date of each purchase, the amount of each purchase, and the merchant  
23 associated with each purchase. The issuing bank is able to identify the merchant due to information  
24 originally transmitted from the merchant through its Processor or acquiring bank, which is  
25 ultimately sent through the card payment network to the issuing bank.

26           34.     In its customer delivery receipts, Eaze tells its customers that they will see the charge  
27 for their purchase through Eaze on their card statement, and that the charge will be associated with  
28 some entity *other than* the actual merchant from whom they purchased the product. The customer

1 delivery receipts reflect an express promise by Eaze to submit false information into the credit and  
2 debit card payment system, which Eaze does, on information and belief, to ensure that the  
3 transactions are not flagged or caught by the Payment Card Companies as Precluded Activities.

4 35. An example illustrates the point. Attached hereto as **Exhibit A** is a true and correct  
5 copy of a customer delivery receipt generated and transmitted by Eaze in connection with an order  
6 purchased through the Eaze platform via credit card on February 7, 2019. Herban received this  
7 invoice from Hometown Heart, a dispensary that contracted with Eaze to fulfill orders placed  
8 through the Eaze Platform between June 2016 and March 2019, and to which Herban provides  
9 certain consulting services. The receipt is redacted to exclude personally identifiable information  
10 of the consumer and dispensary delivery driver. **Figure 1** below is an excerpt of the receipt attached  
11 as **Exhibit A** pertaining to payment information.

12 **Figure 1: Eaze Customer Delivery Receipt Excerpt**

13  
14 calm 200 doses X 1 \$100.00  
15 dosist

16 Items \$200.00

17 Tax \$43.04

18 Delivery \$5.00

19 Orders over \$50 are free!

20  
21 Order Total \$243.04

22 Credit Card 

23  
24 *The cannabis excise taxes are included in the  
25 total amount of this invoice.*

26 *You will see a charge from "absolutsoda.com"  
27 for \$243.04 on your statement.*  
28

1           36.     The Eaze customer delivery receipt at **Figure 1** indicates that the consumer “will see  
2 a charge” on his or her credit or debit card statement for the amount of the cannabis purchase “from  
3 ‘absolutsoda.com.’” But the consumer did not purchase the cannabis from absolutsoda.com.  
4 Instead, as discussed in further detail below, absolutsoda.com is an Eaze Shell Company that exists  
5 solely or primarily for the purpose of defrauding the Payment Card Companies and financial  
6 institutions.

7           37.     “Absolutsoda.com” is not the only Eaze Shell Company. Herban has identified at  
8 least 11 other Eaze Shell Companies used by Eaze in connection with customer delivery receipts for  
9 a single dispensary, including: thehiddenkitten.com, essentialsurface.com, happypuppybox.com,  
10 feel-kvell.com, organikals.store, goodegreenbazaar.com, soniclogistix, fly2skyshop.com,  
11 starstyles.com, outdoormax.com, and diverkingdom.com. Attached to this Complaint as **Exhibits**  
12 **B-L** are true and correct copies of customer delivery receipts created and sent by Eaze that indicate  
13 to Eaze users that their credit or debit card statement will contain an entry for one of these entities  
14 corresponding to their purchase of cannabis on the Eaze Platform.<sup>8</sup>

15           38.     On information and belief, the Eaze Shell Companies exist solely or primarily to  
16 assist Eaze in deceiving and defrauding Payment Card Companies and financial institutions. Indeed,  
17 each one appears to be a front business that has a web page suggesting it is involved in selling  
18 uncontroversial goods, such as carbonated drinks, face cream, dog toys, and diving gear, when in  
19 reality its sole or primary business purpose is to deceive Payment Card Companies and financial  
20 institutions about the nature of card purchases on the Eaze Platform.

21           39.     Notably, of the 12 Eaze Shell Companies identified at paragraphs 37-38 above, none  
22 of them is U.S.-based, according to the contact information page on their websites. Rather, of these  
23 12 Eaze Shell Companies, eight are purportedly based in Cyprus, while four are purportedly based  
24 in the United Kingdom.

25           40.     A number of facts further indicate the Eaze Shell Companies are not real businesses,  
26 and exist solely or primarily for the purpose of furthering Eaze’s conspiracy to defraud Payment  
27

28 <sup>8</sup> These exhibits are redacted to exclude personally identifiable information of the customers and  
dispensary delivery drivers.

1 Card Companies and financial institutions. First, many of them have the *same exact address*  
2 identified as their company address in Cyprus or the United Kingdom. Second, while these entities  
3 claim to be based in Cyprus and the United Kingdom, their customer service telephone numbers are  
4 American phone numbers. And third, the individuals answering the customer service line confirm  
5 when asked that the number is for Eaze customer service.

6 **B. Credit and Debit Card Processing at Eaze**

7 **1. The Mechanics of Credit and Debit Card Processing at Eaze**

8 41. As noted above, in the ordinary credit or debit card transaction, the *merchant* operates  
9 or controls (directly, or through an agent) the point of sale terminal or payment gateway from which  
10 the customer's payment information (including credit and debit card information) is collected and  
11 transmitted to the Payment Card Companies for processing.

12 42. That is not how credit and debit card payments made through the Eaze Platform  
13 work. Although Eaze's customers purchase cannabis on the Eaze Platform from licensed  
14 dispensaries, those retailers play no role in the payment process.

15 43. The Eaze Platform provides access to a credit and debit payment gateway. For each  
16 credit or debit order placed by a customer on the Eaze Platform, Eaze (directly or through its agents)  
17 facilitates transmission of that customer's payment data and order information to a processor, which  
18 transmits the data to third party banks and Payment Card Companies.

19 44. The cannabis dispensaries do not obtain payment information from customers, play  
20 no role in transmitting payment data, and do not see the proceeds from any credit or debit card  
21 purchase until the payments have cleared and settled. The dispensaries have no contracts with  
22 gateway providers, have no merchant processing agreements with the Processors and, on  
23 information and belief, do not know which entities are processing their payments. Thus, unlike the  
24 ordinary credit or debit transaction in which the customer provides payment information to the  
25 merchant and the merchant (directly, or through its agent) transmits the information to Payment  
26 Card Companies, credit and debit transactions through the Eaze Platform remove the seller entirely  
27 from the payment process. Eaze, rather than the merchant, causes the payment and order  
28 information to be transmitted into the credit and debit card payment system.

1                   **2.       The History of Credit and Debit Card Processing at Eaze and Hamid**  
2                   **“Ray” Akhavan**

3           45.     Eaze was launched in 2014 to facilitate the delivery of medical marijuana to patients  
4 in California. From 2014 until approximately September 2016, Eaze was an all-cash business.  
5 Customer-patients purchasing cannabis on Eaze had only one payment option: cash.

6           46.     Beginning in approximately September 2016, Eaze made it possible for customers to  
7 pay for purchases through the Eaze Platform via credit or debit card. On information and belief,  
8 Eaze worked with a United Kingdom-based processor named ClearSettle to facilitate these  
9 payments.

10          47.     From approximately September 2016 through December 2017, customers were able  
11 to pay for orders on the Eaze Platform by credit card, debit card, or cash.

12          48.     In approximately December 2017, for reasons that are unknown to Herban, Eaze’s  
13 credit and debit card payment system went offline. As a result, customers purchasing cannabis  
14 through the Eaze Platform between December 2017 and April 2018 once again had only one  
15 payment option: cash.

16          49.     Between approximately December 2017 and April 2018, Eaze expended significant  
17 resources and engaged in multiple efforts to bring credit and debit card payment functionality back  
18 to the Eaze Platform. As part of these efforts, Eaze personnel sent its partner-dispensaries several  
19 different credit and debit card processor applications, and directed the dispensaries where to send  
20 them and how to fill them out. Eaze then communicated separately with these potential processors  
21 to determine whether they would be able to process the transactions, and acted as a communications  
22 intermediary between the dispensaries and the processors. However, on information and belief,  
23 none of these card processors to which Eaze facilitated the submission of applications actually  
24 approved and began processing card transactions from the Eaze Platform.

25          50.     On information and belief, during this same period when credit and debit card  
26 processing through the Eaze Platform was offline, Eaze worked with an individual named Hamid  
27 “Ray” Akhavan (“Akhavan”) in an effort to restart credit and debit card processing on the Eaze  
28 Platform. Eaze directed several cannabis dispensaries, including some of its largest partners, to

1 meet with Akhavan in Calabasas, California regarding a new credit and debit card solution.

2 51. In or around March or April 2018, at Eaze's direction, representatives from various  
3 dispensaries attended the meeting with Akhavan in Calabasas (hereinafter the "Akhavan Meeting").  
4 On information and belief, when the representatives for the dispensaries arrived at the meeting  
5 location, Akhavan's ostentatious purple Lamborghini was parked outside.

6 52. At the Akhavan Meeting, Akhavan explained to the dispensary representatives that  
7 (1) he had worked with Eaze in the past to implement a prior payment card processing solution; (2)  
8 he had experience setting up payment solutions in the gambling and pornography markets; (3)  
9 accepting credit and debit card payments for cannabis was "high risk" and thus required higher fees;  
10 and (4) he would be able to set up a new credit and debit card solution, but it would have to run  
11 through European banks.

12 53. Shortly after the Akhavan Meeting, credit and debit card functionality became  
13 available again on the Eaze Platform. Since approximately April 2018 and continuing through the  
14 present, Eaze customers have been able to place credit and debit card orders for cannabis on the  
15 Eaze Platform.

### 16 3. Credit and Debit Card Processing After the Akhavan Meeting

17 54. After credit and debit card processing resumed at Eaze in April 2018, senior Eaze  
18 personnel, including a Senior Vice President of Operations, began to regularly convey information  
19 from Akhavan to dispensaries about the credit and debit card arrangement and the status of various  
20 payments, including the amounts they would be receiving and the date on which they would receive  
21 payment. These messages indicate that Eaze personnel regularly communicate with Akhavan about  
22 the status and details of the credit and debit card processing through various forms of  
23 communications, including interstate wires, and then convey that communication over interstate  
24 wires to Eaze's partner-dispensaries.

25 55. While Eaze and its partner-dispensaries regularly communicate over email, Eaze  
26 personnel communicate about this new payment processing solution over Telegram, an end-to-end  
27 encrypted messaging system. On information and belief, the logs of these Telegram "chats"  
28 demonstrate that Eaze directs and controls every step of the credit and debit payment process.



1           56. While credit and debit card payments returned to the Eaze Platform in approximately  
2 April 2018, the dispensaries, on information and belief, never entered into any merchant processing  
3 agreements with payment processors to facilitate these payments. Indeed, on information and belief,  
4 many (if not all) of the dispensaries do not even know the name of the entity processing the  
5 payments. To the contrary, Eaze regularly interacted with these processors and actually negotiated  
6 terms with them, including by promising them a certain volume of card transactions from the  
7 dispensaries on the Eaze Platform. In fact, on at least one occasion in 2018, Eaze refused a  
8 dispensary's request to terminate credit and debit card processing, explaining it had promised a  
9 certain volume of credit and debit card transactions to the processor from all of its partner  
10 dispensaries, and that if the retailer did not participate, the Eaze Platform as a whole would not reach  
11 that volume.

12           57. Since April 2018, when dispensaries receive the funds for credit and debit card  
13 purchases made through the Eaze Platform, they receive a "Statement for Provided Services" from  
14 Eaze, which itself receives the statement from Akhavan or one of his partners over encrypted  
15 electronic mail. This statement identifies, among other things, the relevant time period, the  
16 statement date, the number of approved transactions, and the amount of money the dispensary will  
17 receive. In addition to the foregoing elements, this statement has four particularly notable features  
18 to it. First, it indicates that the original amounts for the credit and debit card transactions were  
19 received in dollars and subsequently converted into euros. Second, it shows that the settlement  
20 amount to the dispensaries is sent back to their accounts in euros. Third, unlike an ordinary credit  
21 or debit card settlement statement, this statement does not identify the processor. Fourth, although  
22 its title refers to "Provided Services," none of the dispensaries has ever provided any services to the  
23 processor, and Eaze invoices the dispensaries separately for the use of the Eaze Platform.

24           58. **Exhibits M and N** to this complaint are true and correct copies of email chains  
25 related to this process.<sup>9</sup> **Exhibit M** is a June 2018 email chain in which the apparent Processor,  
26 emailing from an encrypted account, sends payment card settlement statements to a Senior Vice  
27

28 <sup>9</sup> These exhibits are redacted to exclude the names of the individuals sending, receiving, or  
referred to in the emails.

1 President of Operations at Eaze and asks her to “be so kind and forward them to her dispensaries.”  
2 In response, the Eaze executive asks the Processor about the status of certain wire transfers for one  
3 dispensary in particular. **Exhibit N** is a March 12, 2019 email in which a Senior Director of  
4 Operations at Eaze sends payment card settlement statements to an employee of one of Eaze’s  
5 partner-dispensaries. Four statements are attached to the email and provided as part of Exhibit N.  
6 On information and belief, this email is a representative example of how dispensaries normally  
7 receive credit and debit card settlement statements under the ongoing arrangement with Eaze.

8           59. These settlement statements are highly unusual. Ordinarily, credit and debit card  
9 statements identify the processor, and are sent pursuant to the terms of a commercial agreement  
10 between the merchant and the processor. Neither is the case here: the statement does not identify  
11 the processor and there is no commercial agreement between the processor and the merchant  
12 dispensary. Moreover, that Eaze (rather than the processor) sends the statement is also unusual, and  
13 is further evidence that Eaze is controlling and deeply involved in the credit and debit card payment  
14 process for transactions on the Eaze Platform.

15           60. In the normal course, the dispensaries also receive bank statements from their  
16 respective banks identifying the transactions. During the relevant periods, bank statements received  
17 by certain of Eaze’s partner dispensaries indicate that Eaze credit and debit card settlement funds  
18 (1) originated from Europe, (2) were made by “Spinwild,” an entity purportedly located in Gibraltar,  
19 and (3) were made in euros and subsequently converted by the receiving United States-based banks  
20 into dollars.

21           61. On information and belief, Spinwild is an entity owned or controlled by Akhavan,  
22 and exists for the purpose of facilitating these card settlement payments. On information and belief,  
23 none of the dispensaries has commercial agreements or agreements of any kind with Spinwild, and  
24 none has contacts or business in Gibraltar.

25           62. Eaze is intimately involved with, directed, and coordinated the payments from the  
26 Gibraltar-based “Spinwild” to Eaze’s partner-dispensaries, including by conveying communications  
27 and instructions regarding credit and debit card processing and by actually sending the credit and  
28 debit card settlement statements over email to the partner-dispensaries. Indeed, in May 2018, shortly

1 after the Akhavan Meeting, an Eaze Senior Vice President of Operations initiated an encrypted chat  
2 with Eaze’s partner-dispensaries to convey instructions from Akhavan regarding credit and debit  
3 card payment processing. She directed the dispensaries to “create an invoice back” to Spinwild  
4 “each time you get your money.” She went on to explain that creating these invoices “will help with  
5 tracking and ensure that there is an audit trail, just in case.” Later that same day, the same Senior  
6 Vice President of Operations at Eaze returned with “all the details” on the invoices, and directed  
7 them to include the following information in the invoices on the “bill to” line:<sup>10</sup>

8 SPINWILD LIMITED  
9 Suites 41/42, Victoria House  
10 26 Main Street  
11 GX11 1AA GIBRALTAR  
12 awesome@spinwild.xyz  
13 [https://protect-us.mimecast.com/s/BYJkCAD8PnT983w4UGrjy\\_](https://protect-us.mimecast.com/s/BYJkCAD8PnT983w4UGrjy_)  
14 TAX ID: 115894-52

15 Later that same evening, apparently in an effort to assuage concerns about these invoices,  
16 the same Eaze executive explained the thinking behind this new invoicing request from Eaze: “Re  
17 the invoices, it doesn't have to be anything major. It's just additional paperwork for the bank if they  
18 ask. So your current invoice template with the exact dollars to match the statement would be great.  
19 Thank you!” Thus, a senior Eaze executive directed its partner-dispensaries to create invoices to  
20 “Spinwild”—an allegedly Gibraltar-based entity with which they had no commercial relationship—  
21 to create an “audit trail” for “the bank” into which deposits from Spinwild were being regularly  
22 made. Or, in other words: Eaze asked its partners to create phony invoices to cover up fraud on  
23 Payment Card Companies and financial institutions.

24 **C. Summary of Eaze’s Conspiracy to Deceive and Defraud Payment Card**  
25 **Companies and Financial Institutions**

26 63. As the allegations in paragraphs 1-62 make clear, Eaze has and continues to direct,  
27 coordinate, and participate in a conspiracy to defraud and deceive Payment Card Companies and

28 <sup>10</sup> The “mimecast” URL reflects use of an internal security system that protects users from  
targeted cyber attacks by not providing the actual URL destination. If a user types in and enters  
the above URL into a browser, he or she is redirected to the website for Spinwild.

1 financial institutions.

2       64.     Either directly or through its agents, Eaze causes false information about the nature  
3 of cannabis transactions on the Eaze Platform to be transmitted into the broader credit and debit card  
4 payment system through interstate and foreign wires. The purpose of this deception is to mislead  
5 Payment Card Companies and financial institutions about the nature of the transactions on the Eaze  
6 Platform, to gain access to the money, credit, and services of these Payment Card Companies and  
7 financial institutions.

8       65.     To accomplish this deception, Eaze established or partnered with several purportedly  
9 Cyprus- and United Kingdom-based shell companies referred to herein as the Eaze Shell  
10 Companies. Eaze, directly or through its agents, has caused these entities to be identified as the  
11 merchant for the cannabis transactions on the Eaze Platform. These representations are false. In  
12 reality, the merchants are California licensed cannabis retailers.

13       66.     The Eaze Shell Companies bear the hallmarks of illegal front companies. Many of  
14 them are listed at the *exact same address* in Cyprus or the United Kingdom. While all these Eaze  
15 Shell Companies have contact information suggesting they are located in Cyprus or the United  
16 Kingdom, their contact telephone numbers begin with 1-800—a U.S. toll-free prefix. There is no  
17 Cyprus or UK phone number that begins with 1-800. Critically, persons answering these toll-free  
18 customer support numbers confirm that they are associated with Eaze customer service.

19       67.     Through the customer delivery receipts that it generates and transmits over email,  
20 Eaze effectively confirms (1) its scheme to defraud Payment Card Companies and financial  
21 institutions and (2) its partnership with the Eaze Shell Companies. These customer delivery receipts  
22 indicate to the customer that one of the Eaze Shell Companies will appear on his or her credit or  
23 debit card statement as the merchant associated with the purchase from the Eaze Platform, rather  
24 than Eaze or the partner-dispensary. A credit or debit card statement merely reflects the name of  
25 the merchant transmitted into the credit and debit card payment system and ultimately to the issuing  
26 bank. Thus, Eaze's explanation to the customer is effectively a promise to commit fraud that Eaze  
27 makes good on.

28

1           68. Eaze has directed and coordinated a conspiracy to process credit and debit card  
2 payments on its system in a manner that clearly violates several laws. Specifically, it began the  
3 process of bringing credit and debit cards back to the Eaze Platform by instructing its partner-  
4 dispensaries to meet with Akhavan about a new credit and debit card processing system, regularly  
5 provided updates on the status and details of the system, communicated updates from Akhavan  
6 regarding payments, transmitted the credit and debit card settlement statements to the dispensaries,  
7 and directed the dispensaries to create phony, after-the-fact invoices to match the credit and debit  
8 card settlement payments they received from “Spinwild,” a Gibraltar-based entity associated with  
9 Akhavan. Moreover, Eaze directed its partner dispensaries to create an “audit trail” and to make it  
10 seem like they were actually doing business with Spinwild, when in reality they were not.

11           69. Eaze has directed and coordinated a scheme to send proceeds for credit and debit  
12 card transactions on the Eaze Platform for cannabis out of the United States, convert them into euros,  
13 and return them to United States banks in foreign currency in a manner designed to conceal the true  
14 nature of the underlying transactions. Senior Eaze personnel were and are directly involved with  
15 this process, and facilitated it in numerous ways, including by conveying communications and  
16 directions from Akhavan, transmitting the credit and debit card settlement statements to the  
17 dispensaries that reflected the currency conversions and settlement dates, pressuring the dispensaries  
18 to continue accepting the credit and debit card payments despite their objections based on promises  
19 Eaze had made to its processor, and directing the dispensaries to create invoices to match the  
20 payments.

21           70. Eaze made and continues to make use of interstate wires in connection with carrying  
22 out all the conduct identified at paragraphs 1-69, including but not limited to email communications,  
23 messages on encrypted messaging platforms, telephone calls, and electronic transmissions to third-  
24 party payment processors.

25           71. As set forth above and again in further detail below, Eaze’s actions alleged herein  
26 violate the federal criminal laws prohibiting individuals from participating in a conspiracy to commit  
27 wire fraud and bank fraud, as well as the California law criminalizing fraud. Indeed, all of Eaze’s  
28 actions described herein constitute overt acts in support of these conspiracies. Further, on

1 information and belief, despite a demand by Hometown Heart that Eaze cease its illegal credit and  
2 debit card processing, none of this conduct has stopped—it is all ongoing.

3 **D. Herban Has Suffered and Continues to Suffer Harm as a Result of Eaze’s**  
4 **Criminal Activity**

5 72. Herban is the owner of Chill, a competitor of Eaze in the cannabis delivery market.

6 73. Like the Eaze Platform, Chill is a technology platform facilitating direct-to-consumer  
7 delivery of cannabis. However, unlike Eaze, Herban is unwilling to commit or conspire to commit  
8 wire fraud and bank fraud to do business.

9 74. Given that cannabis is not legal at the federal level, and that the Payment Card  
10 Companies are not willing to process cannabis transactions, there is currently no proven way to  
11 accept payments for cannabis transactions through the credit and debit card payment system without  
12 violating one or more of these laws. Accordingly, Chill does not allow for customers to pay for  
13 cannabis via credit or debit card. Customers on the Chill app have only one payment option: cash.

14 75. By conspiring to defraud the Payment Card Companies and financial institutions,  
15 Eaze is able to offer customers the option to purchase cannabis on the Eaze Platform via credit or  
16 debit card, which has provided Eaze with a significant—and unfair—competitive advantage over  
17 Herban. Specifically, Eaze is able to offer credit or debit card purchases whereas Herban is not,  
18 leading to Eaze increasing its order volume by as much as 300%, developing greater customer  
19 loyalty, cementing its current position as a market leader in the cannabis delivery space to the  
20 detriment of its competitors (including Herban), and avoiding numerous delivery complications  
21 involved with accepting only cash payments that routinely cause Herban to suffer losses, including  
22 abandoned orders and transaction failures. This competitive advantage over Herban is a direct result  
23 of Eaze’s conspiracy to violate federal laws prohibiting wire fraud and bank fraud and California’s  
24 law prohibiting criminal fraud.

25 76. As a result of Eaze’s ongoing violations of state and federal law associated with its  
26 credit and debit card payment practices, Herban has suffered and will continue to suffer a loss of  
27 money or property. Specifically, the competitive advantage Eaze has obtained in the California  
28 cannabis delivery market by violating the laws prohibiting wire fraud, bank fraud, and criminal

1 fraud has caused and continues to cause Herban to suffer damage to its business, including lost  
2 profits, lost market share, lost business opportunities, lost customers, and increased costs to compete  
3 with Eaze.

#### 4 **FIRST CAUSE OF ACTION**

##### 5 **(Violation of California Business and Professions Code Section 17200 *et seq.*)**

6 77. Plaintiff Herban repeats, re-alleges, and incorporates by reference the allegations in  
7 paragraphs 1 through 76 above, as if fully set forth herein.

8 78. Eaze has violated both the unlawful and unfair prongs of California Business and  
9 Professions Code section 17200 by directing and participating in a conspiracy to defraud Payment  
10 Card Companies and financial institutions about the nature of the transactions completed on the  
11 Eaze Platform. These violations are ongoing.

12 79. With respect to the “unlawful” prong of the UCL, Eaze engaged and continues to  
13 engage in unlawful competition by conspiring, in violation of California and federal criminal law,  
14 to commit the following crimes: (1) wire fraud, in violation of 18 U.S.C. §§ 1343, 1349; (2) bank  
15 braud, in violation of 18 U.S.C. §§ 1344, 1349; and (3) criminal fraud, in violation of California  
16 Penal Code section 532.

17 80. **Eaze Committed Conspiracy to Commit Wire Fraud, and the Conspiracy Is**  
18 **Ongoing.** 18 U.S.C. § 1343 makes it a federal crime to commit wire fraud, and 18 U.S.C. § 1349  
19 makes it a federal crime to conspire to commit wire fraud. Under 18 U.S.C. § 1343, a defendant  
20 commits wire fraud by executing a scheme to defraud, using the wires in furtherance of that scheme,  
21 and acting with a specific intent to deceive or defraud.” *United States v. Shipsey*, 363 F.3d 962, 971  
22 (9th Cir. 2004). As paragraphs 1 through 76 of this Complaint make clear, between 2016 and the  
23 present, Eaze, Akhavan, the Eaze Shell Companies, “Spinwild,” and other unknown third parties  
24 have unlawfully, willfully, and knowingly conspired and agreed to commit wire fraud in violation  
25 of Title 18, United States Code, Sections 1343 and 1349. In furtherance of the conspiracy, Eaze  
26 directed, coordinated, and participated in a scheme to deceive Payment Card Companies and  
27 financial institutions into processing and authorizing payments for cannabis transactions by  
28 disguising the transactions to create the false appearance that they were unrelated to cannabis, and

1 thereby obtain money, funds, credit, assets, or other property of those financial institutions and  
2 Payment Card Companies. Eaze was (and is) aware the Payment Card Companies and financial  
3 institutions would not accept the transactions if they knew their true nature (cannabis sales), so Eaze  
4 unlawfully and intentionally conspired (and conspires) to create the false appearance that they were  
5 unrelated to cannabis to obtain money, access to credit, banking services, and other property of the  
6 Payment Card Companies and financial institutions. This scheme to defraud the Payment Card  
7 Companies and other financial institutions was (and is) conducted by Eaze and its co-conspirators  
8 over and through the use of interstate and foreign wires. Further, as set forth at paragraphs 1 through  
9 76 above, Eaze committed numerous overt acts in support of this conspiracy. Eaze's actions  
10 constitute a conspiracy to commit wire fraud in violation of Title 18, United States Code, Sections  
11 1343 and 1349. Further, Eaze's violations of the wire fraud statute have not ceased—to the contrary,  
12 they are continuous and ongoing.

13       81.     **Eaze Committed Conspiracy to Commit Bank Fraud, and the Conspiracy Is**  
14 **Ongoing.** 18 U.S.C. § 1344 makes it a federal crime to commit bank fraud, and 18 U.S.C. § 1349  
15 makes it a federal crime to conspire to commit bank fraud. Under 18 U.S.C. § 1344(1), a defendant  
16 commits bank fraud by (1) knowingly executing or attempting to execute a scheme to defraud; (2) a  
17 financial institution insured by the FDIC; (3) with the intent to defraud. *See United States v. Rizk*,  
18 660 F.3d 1125, 1135 (9th Cir. 2011). As paragraphs 1 through 76 of this Complaint make clear,  
19 between 2016 and the present, Eaze, Akhavan, the Eaze Shell Companies, “Spinwild,” and other  
20 unknown third parties have unlawfully, willfully, and knowingly conspired and agreed to commit  
21 bank fraud in violation of Title 18, United States Code, Sections 1344 and 1349. In furtherance of  
22 this conspiracy, Eaze directed, coordinated, and participated in a scheme to defraud Payment Card  
23 Companies and financial institutions into processing and authorizing payments for cannabis  
24 transactions by disguising the transactions to create the false appearance that they were unrelated to  
25 cannabis, and thereby obtain money, funds, credit, assets, or other property of those financial  
26 institutions and Payment Card Companies. Many, if not all these financial institutions and Payment  
27 Card Companies were (and are) FDIC-insured and many had (and have) policies prohibiting them  
28 from banking with cannabis companies, maintaining deposits resulting from cannabis transactions,



1 or approving cannabis-related credit or debit card transactions. Eaze's scheme was (and continues  
2 to be) constructed and implemented with full knowledge of these rules and policies in an effort to  
3 deceive and defraud those Payment Card Companies and financial institutions to obtain by  
4 fraudulent pretenses money, funds, credit, or other property belonging to the Payment Card  
5 Companies and financial institutions. Further, as set forth at paragraphs 1 through 76 above, Eaze  
6 committed (and continues to commit) numerous overt acts in support of this conspiracy. Eaze's  
7 actions described in this Complaint constitute a conspiracy to commit bank fraud in violation of  
8 Title 18, United States Code, Sections 1344 and 1349. Further, Eaze's violations of the bank fraud  
9 statute have not ceased—to the contrary, they are continuous and ongoing.

10       82.     **Eaze Committed Conspiracy to Commit Criminal Fraud, and the Conspiracy**  
11 **Is Ongoing.** California Penal Code § 532 makes it a crime to commit fraud, and California Penal  
12 Code § 182 makes it a crime to conspire to commit fraud. California Penal Code § 532 makes it  
13 illegal for a defendant to defraud another person or entity out of money, property, or services by  
14 making false or fraudulent representations or pretenses. As paragraphs 1 through 76 of this  
15 Complaint make clear, between 2016 and the present, Eaze, Akhavan, the Eaze Shell Companies,  
16 "Spinwild," and other unknown third parties have unlawfully, willfully, and knowingly conspired  
17 and agreed to commit criminal fraud in violation of California Penal Code Section 532.

18       83.     In furtherance of this conspiracy, Eaze directed, coordinated, and participated in a  
19 scheme to defraud Payment Card Companies and financial institutions into processing and  
20 authorizing payments for cannabis transactions by disguising the transactions to create the false  
21 appearance that they were unrelated to cannabis, and thereby obtain money, funds, credit, assets, or  
22 other property of those financial institutions and Payment Card Companies. Many, if not all these  
23 financial institutions and Payment Card Companies had (and have) policies prohibiting them from  
24 banking with cannabis companies, maintaining deposits resulting from cannabis transactions, or  
25 approving cannabis-related credit or debit card transactions. Eaze was (and is) aware the Payment  
26 Card Companies and financial institutions would not accept their transactions if they knew their true  
27 nature (cannabis sales), so Eaze unlawfully and intentionally conspired (and conspires) to create the  
28 false appearance that they were unrelated to cannabis to obtain money, access to credit, banking

1 services, and other property of the Payment Card Companies and financial institutions. Eaze thus  
2 defrauded the Payment Card Companies and financial institutions out of their money, property, and  
3 services by making or causing to be made false representations, upon which the Payment Card  
4 Companies and financial institutions relied. This scheme to defraud the Payment Card Companies  
5 and other financial institutions was (and is) conducted by Eaze and its co-conspirators over and  
6 through the use of several writings, including but not limited to email correspondence with its  
7 conspirators and the written transmission of false information into the credit and debit card payment  
8 system. Further, as set forth at paragraphs 1 through 76 above, Eaze committed numerous overt  
9 acts in support of this conspiracy. Eaze's actions described in this Complaint constitute a conspiracy  
10 to commit fraud in violation of California Penal Code Section 532. Further, Eaze's violations of this  
11 law have not ceased—to the contrary, they are continuous and ongoing.

12         84.       Given the large volume of transactions on the Eaze Platform, Herban conservatively  
13 estimates that Eaze has violated the foregoing criminal laws tens of thousands, if not hundreds of  
14 thousands of times, and continues to violate them hundreds of times per day. Each violation by  
15 Eaze of the foregoing criminal laws is an "unlawful" business practice in violation of the UCL, and  
16 is independently actionable as a violation of the UCL. Moreover, because the violations are  
17 ongoing, an injunction is warranted to ensure they stop.

18         85.       By conspiring to defraud the Payment Card Companies and financial institutions,  
19 Eaze is able to offer customers the option to purchase cannabis on the Eaze Platform via credit or  
20 debit card, which has provided Eaze with a significant—and unfair—competitive advantage over  
21 Herban, which owns and operates Chill, a competitor of Eaze. Specifically, Eaze is able to offer  
22 credit and debit card purchases whereas Herban is not. This competitive advantage is a direct result  
23 of Eaze's ongoing conspiracy to violate federal laws prohibiting wire fraud and bank fraud, and the  
24 California law prohibiting fraud.

25         86.       As a result of Eaze's ongoing violations of state and federal law associated with its  
26 credit and debit card payment practices, Herban has suffered and will continue to suffer a loss of  
27 money or property. Specifically, the competitive advantage Eaze has obtained in the California  
28 cannabis delivery market by violating the federal laws prohibiting wire fraud, bank fraud and the

1 California law prohibiting criminal fraud has and continues to cause Herban to suffer damage to its  
2 business, including lost profits, lost market share, lost business opportunities, lost customers, and  
3 increased costs to compete with Eaze.

4 87. As a result of Eaze’s unlawful business practices, which continue to this day, Herban  
5 has suffered and will continue to suffer damage to its business, lost profits, lost business  
6 opportunities, lost customers, and increased advertising costs to compete with an established market  
7 participant that cements its place in the market through serial violations of federal law.

8 88. Eaze’s actions described at paragraphs 1 through 76 above also constitute “unfair”  
9 business practices because Eaze’s practices, as described throughout this complaint, (1) offend  
10 established Federal and California public policy against financial fraud and (2) threaten and harm  
11 competition in the relevant market—here, the market for direct-to-consumer cannabis sales in  
12 California. By conspiring to defraud the Payment Card Companies and financial institutions, Eaze  
13 is able to offer customers the option to purchase cannabis on the Eaze Platform via credit or debit  
14 card, which has provided Eaze with a significant—and unfair—market advantage over its  
15 competitors, who cannot compete with Eaze on equal footing without violating several criminal  
16 laws. Specifically, Eaze is able to offer cashless credit and debit card purchases whereas its law-  
17 abiding competitors cannot. This competitive advantage is a direct result of Eaze’s conspiracy to  
18 violate the above-discussed criminal laws, and it has resulted in significant harm to Eaze’s  
19 competitors (including Herban) as well as California consumers who are deprived of the benefits of  
20 healthy, fair competition between service providers. Because Eaze’s actions and practices  
21 “significantly threaten[] or harm[] competition,” they are unfair business practices and accordingly  
22 violate the UCL on that basis.

23 89. As a result of Eaze’s unfair business practices identified in this Complaint, Herban  
24 has suffered and will continue to suffer damage to its business, lost profits, lost business  
25 opportunities, lost customers, and increased advertising costs.

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1. For appropriate injunctive relief under California Business and Professions Code section 17203 to prevent Eaze from continuing to harm Plaintiff Herban and violating federal and state law in the manners described herein;
2. For reasonable attorneys' fees and costs of the suit; and
3. For all such other relief as this Court may deem just and proper and may be available at law or equity.

Herban demands a trial by jury on all triable issues of fact.

BUCKLEY LLP

By: Frederick S. Levin / MAR  
 Frederick S. Levin  
 Michael A. Rome  
 Attorneys for Plaintiff Herban Industries CA LLC

# **EXHIBIT A**

**Sent:** Fri, 08 Feb 2019 06:33:52 +0000 (UTC)  
**From:** "Eaze Team" <support@eaze.com>  
**To:** Receipts\_sf@hometown-heart.com  
**Subject:** Your order was delivered, [REDACTED]

[REDACTED], your order was delivered.

[REDACTED], San Francisco

February 7, 2019 at 10:33 PM

Itemized Receipt

relief 200 doses X 1 \$100.00  
dosist

calm 200 doses X 1 \$100.00  
dosist

---

Items	\$200.00
Tax	\$43.04
Delivery	\$5.00

Orders over \$50 are free!

---

Order Total	\$243.04
-------------	----------

Credit Card 

*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "absolut soda.com" for \$243.04 on your statement.*

Signed

**REDACTED**(2RALMKNE)

## DELIVERY DETAILS

---

Order Requested: February 7, 2019 at 9:51 PM

Delivered By: **REDACTED** for  
Hometown Heart (San Francisco),  
License Number: A9-18-0000032-  
TEMP , 2800 3rd St., San Francisco,  
CA 94107.

Issues with your order? [Contact Support](#)

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# **EXHIBIT B**



**Sent:** Tue, 12 Mar 2019 21:10:52 +0000 (UTC)  
**From:** Eaze Team <support@eaze.com>  
**Subject:** Your order was delivered, [REDACTED]  
**To:** Receipts\_sf@hometown-heart.com

[REDACTED], your order was delivered.

[REDACTED], San Francisco

March 12, 2019 at 2:10 PM

Itemized Receipt

Order #4271702

Blue Dream	X 1	\$32.00
Vaporizers by Absolute Xtracts		

<b>Subtotal</b>	<b>\$32.00</b>
State Cannabis Excise Tax	\$3.84
Sales Tax	\$3.05
Trust & Safety Fee	\$1.00
Delivery	\$5.00

Orders over \$50 are free!

<b>Order Total</b>	<b>\$44.89</b>
--------------------	----------------

Credit Card 

*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "thehiddenkitten.com" for \$44.89 on your statement.*

Signed

**REDACTED** (DJTCQFM5)

10/24/1988

## DELIVERY DETAILS

---

Order Requested: March 12, 2019 at 1:50 PM

Delivered By: **REDACTED** for Hometown  
Heart (San Francisco), License  
Number: A9-18-0000032-TEMP , 2800  
3rd St., San Francisco, CA 94107.

Issues with your order? [Contact Support](#)

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# **EXHIBIT C**

**Sent:** Tue, 12 Mar 2019 21:14:27 +0000 (UTC)  
**From:** Eaze Team <support@eaze.com>  
**Subject:** Your order was delivered, [REDACTED]  
**To:** Receipts\_sf@hometown-heart.com

[REDACTED], your order was delivered.

[REDACTED], San Francisco

March 12, 2019 at 2:14 PM

Itemized Receipt

Order #4271664

Cali-O X 1 \$30.00  
Vaporizers by Kingpen

Sativa Legacy Live Resin - X 1 \$35.00  
1 Gram  
Concentrates by LoudPack

Subtotal	\$65.00
State Cannabis Excise Tax	\$7.80
Sales Tax	\$6.19
Trust & Safety Fee	\$1.00
Delivery	\$5.00
Orders over \$50 are free!	

Order Total \$79.99

Credit Card 

The cannabis excise taxes are included in the total amount of this invoice.

You will see a charge from

"essentialsurface.com" for \$79.99 on your statement.

## Signed

**REDACTED** (QMPFBBRN)

06/30/1980

## DELIVERY DETAILS

Order Requested: March 12, 2019 at 1:42 PM

Delivered By: **REDACTED** for  
Hometown Heart (San Francisco),  
License Number: A9-18-0000032-  
TEMP , 2800 3rd St., San Francisco,  
CA 94107.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT D**

**Sent:** Tue, 12 Mar 2019 21:14:34 +0000 (UTC)  
**From:** Eaze Team <support@eaze.com>  
**Subject:** Your order was delivered, [REDACTED]  
**To:** Receipts\_sf@hometown-heart.com

[REDACTED], your order was delivered.

[REDACTED], San Francisco

March 12, 2019 at 2:14 PM

Itemized Receipt

Order #4271708

Minis Indica	X 3	\$60.00
Flowers by Humboldt Farms		
SW OG	X 1	\$30.00
Vaporizers by Kingpen		
Universal Battery	X 1	\$9.00
Accessories by Chemyx		

Subtotal	\$99.00
State Cannabis Excise Tax	\$10.80
Sales Tax	\$7.42
Trust & Safety Fee	\$1.00
Delivery	\$5.00
Orders over \$50 are free!	
Promo	-\$22.50

Order Total \$95.72

Credit Card 

*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "happypuppybox.com" for \$95.72 on your statement.*

## Signed

**REDACTED** (6BKLEEXM)

03/05/1981

## DELIVERY DETAILS

Order Requested: March 12, 2019 at 1:51 PM

Delivered By: **REDACTED** for Hometown  
Heart (San Francisco), License  
Number: A9-18-0000032-TEMP , 2800  
3rd St., San Francisco, CA 94107.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT E**

**Sent:** Wed, 26 Dec 2018 23:47:03 +0000 (UTC)  
**From:** "Eaze Team" <support@eaze.com>  
**To:** Receipts\_sf@hometown-heart.com  
**Subject:** Your order was delivered, REDACTED!

REDACTED, your order was delivered.

REDACTED, San Francisco

December 26, 2018 at 3:47 PM

Itemized Receipt

Relax	X 1	\$20.00
STATE		
Relax CBD Lavender	X 1	\$25.00
Select CBD		
Indica Preroll	X 1	\$5.00
Crafthouse		

Items	\$50.00
Tax	\$6.68
Delivery	\$5.00
Orders over \$50 are free!	
Promo	-\$1.00

Order Total \$55.68

Credit Card 

*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "www.feel-kvell.com"*

for \$55.68 on your statement.

Signed

REDACTED (35K2DWAU)

#### DELIVERY DETAILS

---

Order Requested: December 26, 2018 at 2:20 PM

Delivered By: REDACTED for Hometown  
Heart (San Francisco), License  
Number: A9-18-0000032-TEMP , 2800  
3rd St., San Francisco, CA 94107.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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get \$20 when they receive their first delivery!

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# **EXHIBIT F**

**Sent:** Wed, 10 Oct 2018 23:48:57 +0000 (UTC)  
**From:** "Eaze Team" <support@eaze.com>  
**To:** Receipts\_sf@hometown-heart.com  
**Subject:** Your order was delivered, REDACTED!

REDACTED, your order was delivered.

REDACTED, San Francisco

October 10, 2018 at 4:48 PM

Itemized Receipt

California Citrus	X 1	\$39.00
DomPen		

PAX Era Maui Wowie	X 1	\$50.00
Jetty		

Items	\$89.00
Tax	\$18.13
Delivery	\$2.00
Orders over \$50 are free!	

Order Total	\$107.13
-------------	----------

Credit Card 

*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "organikals.store" for \$107.13 on your statement.*

Signed

**REDACTED** (43NKP5DS)

## DELIVERY DETAILS

---

Order Requested:      October 10, 2018 at 4:20 PM

Delivered By:      **REDACTED** for Hometown  
Heart - San Francisco, License  
Number: A9-18-0000032-TEMP , 2800  
3rd St., San Francisco, CA 94107.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT G**

**Sent:** Sun, 29 Jul 2018 04:01:41 +0000 (UTC)  
**From:** "Eaze Team" <support@eaze.com>  
**To:** Receipts\_sf@hometown-heart.com  
**Subject:** Your order was delivered, REDACTED!

REDACTED, your order was delivered.

REDACTED, San Francisco

July 28, 2018 at 9:01 PM

Itemized Receipt

Indica	X 2	\$30.00
Old Pal		

Mendo Cookies Mini's	X 1	\$20.00
Humboldt Farms		

Items	\$50.00
Tax	\$10.76
Delivery	\$5.00
Orders over \$50 are free!	

Order Total	\$60.76
-------------	---------

Credit Card 

*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "goodegreenbazaar.com" for \$60.76 on your statement.*

Signed



**REDACTED** (U8F7AMA2)

## DELIVERY DETAILS

---

Order Requested: July 28, 2018 at 8:13 PM

Delivered By: **REDACTED** for Hometown  
Heart - San Francisco, License  
Number: A9-18-0000032-TEMP , 2800  
3rd St., San Francisco, CA 94107.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT H**

**Sent:** Sun, 29 Jul 2018 04:00:38 +0000 (UTC)  
**From:** "Eaze Team" <support@eaze.com>  
**To:** Receipts\_sf@hometown-heart.com  
**Subject:** Your order was delivered, [REDACTED]!

[REDACTED], your order was delivered.

[REDACTED], San Francisco

July 28, 2018 at 9:00 PM

Itemized Receipt

Relax CBD Lavender	X 1	\$25.00
Select		

King Louis	X 1	\$25.00
GOLD DROP		

Items	\$50.00
Tax	\$7.51
Delivery	\$5.00
Orders over \$50 are free!	

Order Total	\$57.51
-------------	---------

Credit Card 

*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "soniclogistix" for \$57.51 on your statement.*

Signed

**REDACTED** (YBXHN6GA)

## DELIVERY DETAILS

---

Order Requested: July 28, 2018 at 8:10 PM

Delivered By: **REDACTED** for Hometown  
Heart - San Francisco, License  
Number: A9-18-0000032-TEMP , 2800  
3rd St., San Francisco, CA 94107.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT I**

**Sent:** Tue, 12 Mar 2019 21:43:23 +0000 (UTC)  
**From:** Eaze Team <support@eaze.com>  
**Subject:** Your order was delivered, [REDACTED]  
**To:** Receipts\_eb@hometown-heart.com

[REDACTED], your order was delivered.  
[REDACTED], Oakland

March 12, 2019 at 2:43 PM

Itemized Receipt

Order #4271918

Tangimal Cookies X 1 \$35.00  
Premium  
Flowers by Humboldt Farms

Subtotal	\$35.00
State Cannabis Excise Tax	\$4.20
Local Tax	\$3.92
Sales Tax	\$3.99
Trust & Safety Fee	\$1.00
Delivery	\$5.00

Orders over \$50 are free!

Order Total \$53.11

Credit Card 

The cannabis excise taxes are included in the total amount of this invoice.

You will see a charge from "fly2skyshop.com" for \$53.11 on your statement.

**Signed**

**REDACTED** (HPFFSPUA)

08/27/1983

#### DELIVERY DETAILS

---

Order Requested: March 12, 2019 at 2:23 PM

Delivered By: **REDACTED** for  
Hometown Heart (East Bay), License  
Number: A9-17-0000005-TEMP , 414  
Lesser St., Oakland, CA 94601.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT J**



**Sent:** Tue, 12 Mar 2019 21:25:09 +0000 (UTC)  
**From:** Eaze Team <support@eaze.com>  
**Subject:** Your order was delivered, [REDACTED]  
**To:** Receipts\_eb@hometown-heart.com

[REDACTED], your order was delivered.

[REDACTED], Oakland

March 12, 2019 at 2:25 PM

Itemized Receipt

Order #4271752

Blackberry & Lemon Gummies	X 1	\$16.00
Edibles by PLUS		
Grape Noir Licorice	X 1	\$19.00
Edibles by Emerald Sky		
Sour Blueberry Gummies	X 1	\$16.00
Edibles by PLUS		

Subtotal	\$51.00
State Cannabis Excise Tax	\$6.12
Local Tax	\$5.24
Sales Tax	\$5.33
Trust & Safety Fee	\$1.00
Delivery	\$5.00
Orders over \$50 are free!	
Promo	-\$4.75
Order Total	\$63.94



*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "starsstyles.com" for \$63.94 on your statement.*

## Signed

**REDACTED** (N6R2EKLP)

01/02/1978

## DELIVERY DETAILS

Order Requested: March 12, 2019 at 1:58 PM

Delivered By: **REDACTED** for  
Hometown Heart (East Bay), License  
Number: A9-17-0000005-TEMP , 414  
Lesser St., Oakland, CA 94601.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT K**

**Sent:** Tue, 12 Mar 2019 21:23:55 +0000 (UTC)  
**From:** Eaze Team <support@eaze.com>  
**Subject:** Your order was delivered, [REDACTED]!  
**To:** Receipts\_eb@hometown-heart.com

[REDACTED], your order was delivered.

[REDACTED], Oakland

March 12, 2019 at 2:23 PM

Itemized Receipt

Order #4271489

Select Elite Indica	X 1	\$35.00
Vaporizers by Select		
Sour Cherry Sherbet	X 1	\$10.00
Preroll		
Prerolls by Humboldt Farms		
Indica Classic Preroll	X 1	\$7.00
Prerolls by Island		

Subtotal	\$52.00
State Cannabis Excise Tax	\$6.24
Local Tax	\$4.77
Sales Tax	\$4.86
Trust & Safety Fee	\$1.00
Delivery	\$5.00
Orders over \$50 are free!	
Promo	-\$10.50
Order Total	\$58.37

Credit Card



*The cannabis excise taxes are included in the total amount of this invoice.*

*You will see a charge from "outdoormaxx.com" for \$58.37 on your statement.*

## Signed

**REDACTED** (EAAQXYF3)

10/27/1990

## DELIVERY DETAILS

Order Requested: March 12, 2019 at 1:13 PM

Delivered By:

**REDACTED** for

Hometown Heart (East Bay), License

Number: A9-17-0000005-TEMP , 414

Lesser St., Oakland, CA 94601.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT L**

**Sent:** Tue, 12 Mar 2019 22:47:54 +0000 (UTC)  
**From:** Eaze Team <support@eaze.com>  
**Subject:** Your order was delivered, [REDACTED]  
**To:** Receipts\_eb@hometown-heart.com

[REDACTED], your order was delivered.

[REDACTED], San Leandro

March 12, 2019 at 3:47 PM

Itemized Receipt

Order #4272260

Hybrid - Pre-Ground 1/2 X 1 \$50.00  
Oz  
Flowers by Old Pal

Subtotal	\$50.00
State Cannabis Excise Tax	\$6.00
Local Tax	\$5.60
Sales Tax	\$6.01
Trust & Safety Fee	\$1.00
Delivery	\$5.00

Orders over \$50 are free!

Order Total \$68.61

Credit Card 

The cannabis excise taxes are included in the total amount of this invoice.

You will see a charge from "diverkingdom.com" for \$68.61 on your statement.

**Signed**

**REDACTED** (29Q6BCW4)

11/24/1975

#### DELIVERY DETAILS

---

Order Requested: March 12, 2019 at 3:18 PM

Delivered By: **REDACTED** for Hometown  
Heart (East Bay), License Number: A9-  
17-0000005-TEMP , 414 Lesser St.,  
Oakland, CA 94601.

Issues with your order? [Contact Support](#)

## Refer Your Friends

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# **EXHIBIT M**

**From:** REDACTED @eaze.com>  
**Sent:** Thu, 7 Jun 2018 09:19:09 -0700  
**Subject:** Re: Supplier Statements Week: 01.05-16.05.2018  
**To:** EU Processing <euprocessing@protonmail.com>  
**Cc:** REDACTED @hometown-heart.com>, REDACTED @hometown-heart.com>  
[685678-CLMSS-004.pdf](#)

Good morning! I had a question for you.□

REDACTED, the owner of Hometown Heart, who is cc'd here has informed me that he has not yet received his wire for the attached statement (685678). He has received the other wire (685679).□

Can you please give us some insight as to why one wire has come through but the other is still pending?□

Please note that REDACTED, VP of Finance for Hometown Heart, is cc'd as well.

Thanks,

REDACTED □

On Mon, Jun 4, 2018 at 3:54 PM, EU Processing <[euprocessing@protonmail.com](mailto:euprocessing@protonmail.com)> wrote:

Hey REDACTED,

hope you had a very nice and relaxing weekend.

Find attached the latest statements.

Would you please be so kind and forward them to your dispenseries?

Thanks a lot!

All the best

EUP

--  
REDACTED  
SVP Operations



*Haven't tried Eaze?*

Click [here](#) for \$20 off your first delivery!

# **EXHIBIT N**

**From:** REDACTED@eaze.com>  
**Sent:** Tue, 12 Mar 2019 12:53:54 -0700  
**Subject:** CC statements from 2/16 - 2/22  
**To:** REDACTED@hometown-heart.com>

[HTH.pdf](#)  
[HTH2.pdf](#)  
[HTH3.pdf](#)  
[HTH4.pdf](#)

--  
**REDACTED**  
Senior Director, Operations | [\(708\) 606-0914](#)



## Statement for provided Services

**Service Period:**

From: 02/16/2019  
To: 02/22/2019

**Partner Name:** CLMSS, LLC  
**Address:** 265 Nueva Ave  
San Francisco CA 94134-2422  
USA

**Customer-No.:** 585678  
**Statement-No.:** 585678-030  
**Statement Date:** 02/22/2019  
**Service:** K-organikals.store  
K-feelkvell

**Total Transactions**

K-L-organikals.store

K-L-feelkvell

Number of approved transactions	0	0
Number of declined transactions	0	0
Number of refunds	2	9
Number of charge backs	0	7

**Turnover - K-L-organikals.store**

	origin currency	FX rate	Settlement currency
Gross Turnover	\$0,00	0,8600	0,00 <input type="checkbox"/>
Refund Amounts	\$188,76	0,8600	162,33 <input type="checkbox"/>
Chargeback Amounts	\$0,00	0,8600	0,00 <input type="checkbox"/>

**Turnover - K-L-feelkvell**

Gross Turnover	\$0,00	0,8600	0,00 <input type="checkbox"/>
Refund Amounts	\$750,44	0,8600	645,38 <input type="checkbox"/>
Chargeback Amounts	\$673,09	0,8600	578,86 <input type="checkbox"/>

**Net Turnover** **-1.386,57** ☐

**Deductions:**

Rate	12%	0,00 <input type="checkbox"/>
Trx-Fee (Approved)	0,15 <input type="checkbox"/>	0,00 <input type="checkbox"/>
Trx-Fee (Declined)	0,15 <input type="checkbox"/>	0,00 <input type="checkbox"/>
Refund Fee	1,50 <input type="checkbox"/>	16,50 <input type="checkbox"/>
Chargeback Fee	35,00 <input type="checkbox"/>	245,00 <input type="checkbox"/>

**Total deductions:** **261,50** ☐

**PAYOUT**

<b>Net Turnover</b>	<b>-1.386,57</b> <input type="checkbox"/>
<b>Total Fees (excl. VAT)</b>	<b>261,50</b> <input type="checkbox"/>
VAT 0%	0,00 <input type="checkbox"/>
<b>Total Fees (incl. VAT)</b>	<b>261,50</b> <input type="checkbox"/>
<b>Rolling Reserve deduction(10%)</b>	<b>0,00</b> <input type="checkbox"/>
Rolling Reserve release	0,00 <input type="checkbox"/>
<b>Total settlement amount</b>	<b>-1.648,07</b> <input type="checkbox"/>

**For your information:**

Please check for errors immediately.  
The payout amount will be transferred  
to your bank account.

Thank you very much for your cooperation.

# Statement for provided Services

**Service Period:**

From:

02/16/2019

To:

02/22/2019

**Partner Name:****CLMSS, LLC****Address:**265 Nueva Ave  
San Francisco CA 94134-2422  
USA**Customer-No.:**

585679

**Statement-No.:**

585679-030

**Statement Date:**

02/22/2019

**Service:**

K-organikals.store

**Total Transactions**

Number of approved transactions	0
Number of declined transactions	0
Number of refunds	2
Number of charge backs	1

**Turnover**

	origin currency	FX rate	Settlement currency
Gross Turnover	\$0,00	0,8600	0,00 <input type="checkbox"/>
Refund Amounts	\$155,60	0,8600	133,82 <input type="checkbox"/>
Chargeback Amounts	\$45,78	0,8600	39,37 <input type="checkbox"/>

**Net Turnover** -173,19 ☐**Rolling Reserve:** \$0,00 0,0000 **0,00** ☐**Deductions:**

Rate	12%	0,00 <input type="checkbox"/>
Trx-Fee (Approved)	0,15 <input type="checkbox"/>	0,00 <input type="checkbox"/>
Trx-Fee (Declined)	0,15 <input type="checkbox"/>	0,00 <input type="checkbox"/>
Refund Fee	1,50 <input type="checkbox"/>	3,00 <input type="checkbox"/>
Chargeback Fee	35,00 <input type="checkbox"/>	35,00 <input type="checkbox"/>

**Total deductions:** **38,00** ☐**PAYOUT****Net Turnover** -173,19 ☐**Total Fees (excl. VAT)** **38,00** ☐VAT 0% 0,00 ☐**Total Fees (incl. VAT)** **38,00** ☐**Rolling Reserve deduction (10%)** **0,00** ☐Rolling Reserve release 0,00 ☐**Total settlement amount** **-211,19** ☐**For your information:**

Please check for errors immediately.  
The payout amount will be transferred  
to your bank account.

Thank you very much for your cooperation.

## Statement for provided Services

### Service Period:

From: 02/16/2019  
To: 02/22/2019

Partner Name: CLMSS, LLC  
Address: 265 Nueva Ave  
San Francisco CA 94134-2422  
USA

Customer-No.: 1085678  
Statement-No.: 1085678-009  
Statement Date: 02/22/2019  
Service: K-Conetild-absolut  
K-Conetild-essentialsurf  
K-Conetild-Happypuppy  
K-Conetild-thehiddenkitten

Total Transactions	K-Conetild-absolut	K-Conetild-essentialsurf	K-Conetild-happypuppy	K-Conetild-thehiddenkitten
Number of approved transactions	1.368	1.416	456	469
Number of declined transactions	329	310	118	116
Number of refunds	3	6	1	1
Number of charge backs	11	10	0	0

### Turnover - K-Conetild-absolut-USD

	origin currency	FX rate	Settlement currency
Gross Turnover	\$117.349,78	0,8600	100.920,81 <input type="checkbox"/>
Refund Amounts	\$204,07	0,8600	175,50 <input type="checkbox"/>
Chargeback Amounts	\$1.104,36	0,8600	949,75 <input type="checkbox"/>

### Turnover - K-Conetild-essentialsurf-USD

Gross Turnover	\$116.279,93	0,8600	100.000,74 <input type="checkbox"/>
Refund Amounts	\$494,37	0,8600	425,16 <input type="checkbox"/>
Chargeback Amounts	\$761,12	0,8600	654,56 <input type="checkbox"/>

### Turnover - K-Conetild-happypuppy-USD

	origin currency	FX rate	Settlement currency
Gross Turnover	\$36.253,38	0,8600	31.177,91 <input type="checkbox"/>
Refund Amounts	\$84,96	0,8600	73,07 <input type="checkbox"/>
Chargeback Amounts	\$0,00	0,8600	0,00 <input type="checkbox"/>

### Turnover - K-K-Conetild-thehiddenkitten-USD

Gross Turnover	\$39.510,34	0,8600	33.978,89 <input type="checkbox"/>
Refund Amounts	\$198,74	0,8600	170,92 <input type="checkbox"/>
Chargeback Amounts	\$0,00	0,8600	0,00 <input type="checkbox"/>

Net Turnover 263.629,39 ☐

Negative Balances (585678-030): -1.648,07 ☐

### PAYOUT

Net Turnover 263.629,39 ☐

Total Fees (excl. VAT) 33.368,20 ☐  
VAT 0% 0,00 ☐  
Total Fees (incl. VAT) 33.368,20 ☐

Negative Balances: -1.648,07 ☐

Rolling Reserve release 0,00 ☐

Total settlement amount 228.613,12 ☐

### Deductions:

Rate	12%	31.929,40 <input type="checkbox"/>
Trx-Fee (Approved)	0,15 <input type="checkbox"/>	556,35 <input type="checkbox"/>
Trx-Fee (Declined)	0,15 <input type="checkbox"/>	130,95 <input type="checkbox"/>
Refund Fee	1,50 <input type="checkbox"/>	16,50 <input type="checkbox"/>
Chargeback Fee	35,00 <input type="checkbox"/>	735,00 <input type="checkbox"/>

Total deductions: 33.368,20 ☐

### For your information:

Please check for errors immediately.  
The payout amount will be transferred  
to your bank account.

Thank you very much for your cooperation.

## Statement for provided Services

**Service Period:**

From: 02/16/2019  
To: 02/22/2019

**Partner Name:** CLMSS, LLC  
**Address:** 265 Nueva Ave  
San Francisco CA 94134-2422  
USA

**Customer-No.:** 1085679  
**Statement-No.:** 1085679-009  
**Statement Date:** 02/22/2019  
**Service:** K-Jonnur-fly2sky-USD  
K-Jonnur-outdoor-USD  
K-Jonnur-starsstyles-USD

<b>Total Transactions</b>	<b>K-Jonnur-fly2sky-USD</b>	<b>K-Jonnur-outdoor-USD</b>	<b>K-Jonnur-starsstyles-USD</b>
Number of approved transactions	1.526	1.470	1.452
Number of declined transactions	614	611	641
Number of refunds	3	1	5
Number of charge backs	12	16	17

**Turnover - K-Jonnur-fly2sky-USD**

	<b>origin currency</b>	<b>FX rate</b>	<b>Settlement currency</b>
Gross Turnover	\$120.113,98	0,8600	103.298,02 <input type="checkbox"/>
Refund Amounts	\$277,39	0,8600	238,56 <input type="checkbox"/>
Chargeback Amounts	\$722,28	0,8600	621,16 <input type="checkbox"/>

**Turnover - K-Jonnur-outdoor-USD**

Gross Turnover	\$120.424,29	0,8600	103.564,89 <input type="checkbox"/>
Refund Amounts	\$20,19	0,8600	17,36 <input type="checkbox"/>
Chargeback Amounts	\$1.254,64	0,8600	1.078,99 <input type="checkbox"/>

**Turnover - K-Jonnur-starsstyles-USD**

Gross Turnover	\$114.773,45	0,8600	98.705,17 <input type="checkbox"/>
Refund Amounts	\$433,38	0,8600	372,71 <input type="checkbox"/>
Chargeback Amounts	\$1.182,41	0,8600	1.016,87 <input type="checkbox"/>

**Net Turnover** 302.222,43 ☐

**Negative Balances (585679-029):** -211,19 ☐

**Deductions:**

Rate	12%	36.668,17 <input type="checkbox"/>
Trx-Fee (Approved)	0,15 <input type="checkbox"/>	667,20 <input type="checkbox"/>
Trx-Fee (Declined)	0,15 <input type="checkbox"/>	279,90 <input type="checkbox"/>
Refund Fee	1,50 <input type="checkbox"/>	13,50 <input type="checkbox"/>
Chargeback Fee	35,00 <input type="checkbox"/>	1.575,00 <input type="checkbox"/>

**Total deductions:** 39.203,77 ☐

**PAYOUT**

**Net Turnover** 302.222,43 ☐

**Total Fees (excl. VAT)** 39.203,77 ☐  
VAT 0% 0,00 ☐  
**Total Fees (incl. VAT)** 39.203,77 ☐

**Negative Balances:** -211,19 ☐

**Rolling Reserve release** 0,00 ☐

**Total settlement amount** 262.807,47 ☐

**For your information:**

Please check for errors immediately.  
The payout amount will be transferred  
to your bank account.

Thank you very much for your cooperation.