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**FILED**  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

MAY 01 2017

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16 SITUATED

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310 greenman

17 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
18 **COUNTY OF LOS ANGELES – CENTRAL DISTRICT**

**BY FAX**

BC 659422

Case No. \_\_\_\_\_

19 MELODY YIRU, aka SHI YIRU, an individual,  
20 and all those similarly situated,

21 Plaintiff,

22 v.

23 WORLDVENTURES HOLDINGS, LLC, a  
24 Nevada Limited Liability Company; WORLD  
25 VENTURES, a Nevada Limited Liability  
26 Company; WORLDVENTURES  
27 FOUNDATION, a Texas corporation;  
28 WORLDVENTURES MARKETING, LLC,  
Nevada Limited Liability Company; MICHAEL  
AZCUE, an individual; WAYNE NUGENT, an  
individual; and DANIEL STAMMEN, an  
individual; and DOES 1-100;

Defendants.

**CLASS ACTION COMPLAINT**

**[REQUEST FOR JURY TRIAL]**

CIT/CAUSE: BC659422  
LEA/DEF#:

RECEIPT #: CCH465980157  
DATE PAID: 05/01/17 03:13 PM  
PAYMENT: \$435.00 310  
RECEIVED:

CHECK: \$435.00  
CASH: \$0.00  
CHANGE: \$0.00  
CARD: \$0.00

CIT/CAUSE: BC659422  
LEA/DEF#:

RECEIPT #: CCH465980158

DATE PAID: 05/01/17 03:13 PM

PAYMENT: \$1,000.00 310

RECEIVED: \$1,000.00

CHECK: \$0.00

CASH: \$0.00

CHANGE: \$0.00

CARD: \$0.00

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1 **I. INTRODUCTION TO THE CASE**

2 1. WorldVentures represented to Plaintiff Melody Yiru that she would make a  
3 fortune. Plaintiff and members of the interim class all joined WorldVentures and became  
4 “representatives.”

5 2. However, Plaintiff did not make money as promised. As with the case of the more  
6 than two hundred fifty thousand WorldVentures representatives before and after her, Plaintiff  
7 failed. Plaintiff and the interim class failed even though they were committed and put in the time  
8 and effort. They failed because they were doomed from the start by a WorldVentures marketing  
9 plan that systematically rewards recruiting representatives over sales of travel packages, and  
10 WorldVentures is nothing more than a site that compiles travel package plans from the website  
11 (often at prices significantly in excess of what a consumer can obtain from Expedia or  
12 Travelocity).

13 3. 99.7% of WorldVenture representatives average net losses of over \$1,000 per year,  
14 and gross revenues of \$140.00. No persons, except directors and secretly placed individuals into  
15 the “representative” tiers of the company, make any money.

16 4. Defendants run an illegal pyramid scheme. Defendants have been banned from  
17 operating in Norway based on the Court system there finding that WorldVentures operated an  
18 illegal pyramid scheme. Defendants take money in return for the right to sell travel membership  
19 services and rewards for recruiting other participants into the pyramid.

20 5. Accordingly, Plaintiff, for themselves, all others similarly situated, and the general  
21 public, allege:

22 **II. TYPE OF ACTION**

23 6. Plaintiff sues for herself and for all persons who were WorldVentures  
24 representatives from May 2010 until the present under California’s Endless Chain Scheme Law  
25 (California’s Penal Code § 327 and California Civil Code § 1689.2), California’s Unfair  
26 Competition Law (Business and Professions Code § 17200 et seq.); False Advertising Law  
27 (Business and Professions Code § 17500), and Racketeer Influenced and Corrupt Organizations  
28 Act, 18 U.S.C. § 1961 *et seq.* against all defendants for the operation and promotion of an

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1 inherently fraudulent endless chain scheme.

2 **III. PARTIES**

3 7. Plaintiff Melody Yiru aka Shi Yiru is and at all relevant times was an individual  
4 who did business in Los Angeles County, California. Yiru became an WorldVentures  
5 representative in September of 2015. Plaintiff was deceived by WorldVentures's misleading  
6 opportunity believing the opportunity was a legitimate way to earn money (even though that was  
7 false), and Plaintiff Yiru did in fact lose money as a result of Defendants' unfair, unlawful, and  
8 fraudulent business practice.

9 8. WorldVentures Holdings, LLC, is a Nevada limited liability company with its  
10 principal place of business in Nevada ("WorldVentures").

11 9. WorldVentures Marketing, LLC is a Nevada limited liability company with its  
12 principal place of business in Nevada ("Marketing").

13 10. WorldVentures, LLC ("WV") is a Nevada limited liability company that is part of  
14 the corporate family of WorldVentures, and responsible for the acts alleged in this Complaint.  
15 WV, at all times relevant in this Complaint, did business in the State of California.

16 11. WorldVentures Foundation ("Foundation") is a Texas Corporation that is part of  
17 the corporate structure of WorldVentures, and responsible for the acts alleged in this Complaint.  
18 Foundation, at all times relevant in this Complaint, did business in the State of California.  
19 Foundation is registered to do business in the State of California with the California Secretary of  
20 State.

21 12. Defendant Wayne Nugent ("Nugent") is a natural person and resident of the State  
22 of Texas. He may be served with process at 1524 Van Winkle Drive, Plano, Texas, or wherever  
23 he may be found. At all times relevant to this Complaint, Nugent has acted and continues to act as  
24 managing-member of Defendant WorldVentures, Foundation, and Defendant WV.

25 13. Defendant Michael Azcue ("Azcue") is a natural person and resident of the State of  
26 Texas. He may be served with process at 6400 Windcrest #1134, Plano TX 75024, or wherever he  
27 may be found. From formation of WorldVentures until at least December 15, 2015 Azcue acted as  
28

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1 one of the two controlling managing-members of WorldVentures in concert with Defendant  
2 Nugent.

3 14. Defendant Daniel Stammen (“Stammen”), is a natural person and resident of the  
4 State of Texas or wherever he may found. Defendant Stammen has acted and continues to act as  
5 managing-member of Defendant.

6 **III. JURISDICTION AND VENUE**

7 15. Jurisdiction is conferred upon this Court because Defendants do business in this  
8 judicial district, they hold themselves out and market to this jurisdiction, and they actually conduct  
9 significant transactions in this jurisdiction. Under Plaintiff’s state law claims, more than 75% of  
10 those affected in the class (and perhaps more persons) are residents of the State of California.  
11 Supplemental jurisdiction exists over the sole federal cause of action.

12 16. Venue is proper in this Court because a substantial part of the events or omissions  
13 giving rise to Plaintiff’s claims occurred here, a substantial part of the property that is the subject of  
14 this action is situated here, and Defendants are subject to personal jurisdiction, in this District.

15 17. Defendant WorldVentures is subject to the jurisdiction of this Court.  
16 WorldVentures has been engaged in continuous and systematic business in California. In fact,  
17 many of WorldVentures’ representative business activities originate from California.

18 18. WorldVentures has a designated agent for service of process in this State or has its  
19 place of business here and have committed tortious acts in this State.

20 19. Each of the Defendants named herein acted as a co-conspirator, single enterprise,  
21 joint venture, co-conspirator, or alter ego of, or for, the other Defendants with respect to the acts,  
22 omissions, violations, representations, and common course of conduct alleged herein, and ratified  
23 said conduct, aided and abetted, or is other liable. Defendants have agreements with each other,  
24 and other unnamed Director co-conspirators and have reached agreements to market and promote  
25 the WorldVentures Pyramid as alleged herein.

26 20. Defendants, along with unnamed Director co-conspirators, were part of the  
27 leadership team that participated with WorldVentures, and made decisions regarding: products,  
28 services, marketing strategy, compensation plans (both public and secret), incentives, contests and

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1 other matters. In addition, Defendants and unnamed co-conspirators were directly and actively  
2 involved in decisions to develop and amend the compensation plans.

3 21. Plaintiff is presently unaware of the true identities and capacities of fictitiously  
4 named Defendants designated as DOES 1 through 100, but will amend this complaint or any  
5 subsequent pleading when their identities and capacities have been ascertained according to proof.  
6 On information and belief, each and every DOE defendant is in some manner responsible for the  
7 acts and conduct of the other Defendants herein, and each DOE was, and is, responsible for the  
8 injuries, damages, and harm incurred by Plaintiff. Each reference in this complaint to “defendant,”  
9 “defendants,” or a specifically named defendant, refers also to all of the named defendants and those  
10 unknown parties sued under fictitious names.

11 22. Plaintiff is informed and believes, and thereon alleges that, at all times relevant  
12 hereto, all of the defendants together were members of a single association, with each member  
13 exercising control over the operations of the association. Each reference in this complaint to  
14 “defendant,” “defendants,” or a specifically named defendant, refers also to the above-referenced  
15 unincorporated association as a jural entity and each defendant herein is sued in its additional  
16 capacity as an active and participating member thereof. Based upon the allegations set forth in this  
17 Complaint, fairness requires the association of defendants to be recognized as a legal entity, as the  
18 association has violated Plaintiff and Class Members’ legal rights.

19 23. Plaintiff is further informed and believes and thereon alleges that each and all of the  
20 acts herein alleged as to each defendant was authorized and directed by the remaining defendants,  
21 who ratified, adopted, condoned and approved said acts with full knowledge of the consequences  
22 thereof, and memorialized the authority of the agent in a writing subscribed by the principal.

23 24. Plaintiff is informed and believes and thereon alleges that each of the defendants  
24 herein agreed among each other to commit the unlawful acts (or acts by unlawful means) described  
25 in this Complaint.

26 25. The desired effect of the conspiracy was to defraud and otherwise deprive Plaintiff  
27 and Class Members (as hereinafter defined) of their constitutionally protected rights to property,  
28 and of their rights under other laws as set forth herein. Each of the defendants herein committed an

1 act in furtherance of the agreement. Injury was caused to the Plaintiff and Class Members by the  
2 defendants as a consequence.

3 **IV. FACTS**

4 **A. WorldVentures Operates A Pyramid Scheme That Was Banned In Norway**

5 26. WorldVentures was founded in 2005 and purports to operate in 28 countries. In  
6 2015, WorldVentures had what it describes as 238,684 “sales representatives.” In 2015,  
7 WorldVentures claimed to have earned \$650 million in revenue. In 2017, WorldVentures  
8 estimated it would have \$1 billion dollars in revenue, and claims it has 700,000 sales  
9 representatives. WorldVentures operates in California, does business in California, and holds  
10 seminars in California to woo its latest victims. WorldVentures does not actually originate travel  
11 packages. According to publicly available court filings, WorldVentures is generating positive  
12 operating net income cash flows well in excess of \$20.0 million per year.

13 27. Former Advisors of WorldVentures have disclosed publicly that from 2013 to  
14 2015, WorldVentures continued to experience a significant amount of negative publicity  
15 specifically as to whether the company was a pyramid scheme. Former advisors were brought into  
16 assist with these issues, but the company remains a pyramid scheme. There was further problems  
17 that the exponential growth of WorldVentures’ business in certain countries in Asia was due to  
18 inadequate oversight of sales representatives conducting business without WorldVentures having  
19 first obtained the required business license in each respective country.

20 28. In May 2013, the Norwegian Gaming Board announced an investigation into  
21 WorldVentures’ business activities.

22 29. In February of 2014, the Country of Norway banned WorldVentures from the  
23 Country of Norway and concluded that WorldVentures’ business program constitutes an illegal  
24 pyramid scheme because revenue almost exclusively comes from recruiting members and not the  
25 sale of travel residence. In other words, the proceeds of WorldVentures stem from recruiting new  
26 participants into the business.

27 30. WorldVentures appealed the Country of Norway’s ruling, which WorldVentures’  
28 lost in November of 2014. In February of 2016, WorldVentures sued the Norwegian Ministry of

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1 Culture. On or about October of 2016, the lawsuit against the Norwegian Ministry was affirmed.  
2 The Norway Court most recently concluded that WorldVentures' revenue was generated from  
3 recruitment of affiliates and "not from the consumption of sale of goods, services or any other  
4 arrangement." The Norwegian Court concluded in 2016 that WorldVentures looked like a  
5 pyramid scheme that had been previously ruled on as such in 2014.

6 31. Rewards paid in the form of cash bonuses, where primarily earned for recruitment,  
7 as opposed to merchandise sales to consumers, constitute a fraudulent business model. *See F.T.C.*  
8 *v. BurnLounge, Inc.*, 753 F.3d 878 (9<sup>th</sup> Cir. 2014).

9 **B. How WorldVentures' Perpetuates Its Pyramid Scheme**

10 32. WorldVentures purports to sell travel-related services based on club membership.

11 33. A significant portion, and more than 80% of WorldVentures' travel plans, do not  
12 include air fare, but instead only include hotel and lodging accommodations. The packages  
13 contemplate a guarantee refund if travel is cheaper, but in practice, this never happens and refunds  
14 are not made.

15 34. There are three "membership" packages for WorldVentures consumers:  
16 "DreamTrips," "DreamTrips GOLD," and "Dream Trips PLATINUM."

17 35. For "Dreamtrips," there is a \$24.99 monthly fee and initial membership signup fee  
18 of \$99.99 for each consumer. A member receives an initial 100 points enrollment, and 300 points  
19 annually towards travel packages. The GOLD package requires a member to pay \$199.99 initial  
20 membership fee and \$49.99 per month. The gold member receives an initial 200 points, and 600  
21 points annually toward travel packages. Finally, the PLATINUM membership requires a  
22 consumer to pay an initial membership fee of \$299.99 and \$99 per month. The platinum member  
23 receives 300 points, and 1200 points annually

24 **C. Members Receive Benefits Only Through The Performance Of Those**  
25 **Downline To Them**

26 36. If one person signs up downline the participant through the "Platinum"  
27 membership, the upper line receives 200 points.  
28

1           37.    If 4 people sign up as downlines in the Gold or Platinum membership, the monthly  
2 *membership is free* and the member receives \$300. In other words, the greater the pyramid is  
3 perpetuated by the consumer by transmitting more money to the “directors” at the “top” of the  
4 pyramid, membership into WorldVentures is free.

5           38.    If 6 people sign up as down lines in the Platinum membership, a \$250 bonus is  
6 given in addition to the waiver of the membership fee. If 12 people sign up downline by a  
7 member, the consumer receives a free ipad3. If 20 people sign up, the consumer receives a car  
8 bonus for a silver BMW in the amount of \$600 per month. This is called the “wings and wheels”  
9 program. Worldventures touts that its membership promises “fun, freedom, and fulfillment”  
10 through WorldVentures’ participation. A member “gets a percentage of everybody who pays  
11 through your referral network, it has opportunity to stretch around the world and create substantial  
12 income.” WorldVentures further claims that representatives “make a lot of money,” “double your  
13 profits,” and make an extra \$20,000 by recruiting others to become WorldVentures “sales  
14 representatives.” WorldVentures represented to Plaintiff that the real money was in becoming an  
15 associate and recruiting others to join the program.

16           39.    Signifying how the travel package is of no value, the packages are overpriced,  
17 under-inclusive, and are significantly in excess of the price a consumer can obtain the equivalent  
18 travel packages from almost any online competitor - Cheap Tickets, Groupon, and Expedia.

19           40.    WorldVentures does not have its own travel deals. It just scouts for deals and make  
20 a person pay to view them. Turn over levels are high in each members downline reflecting the  
21 nature of the scam. That is, to make money, one has to constantly be recruiting new victims.

22           41.    Further, WorldVentures has at times given misleading information about their  
23 product to consumers prior to purchase, exaggerates the savings realized by their product, and fails  
24 to provide refunds for cancelled services. WorldVentures also makes misrepresentations to the  
25 interim Class Members through their “Annual Income Disclosure Statements.”

26           42.    According to videos from David Pietsch of WorldVentures, with World Ventures  
27 “you are at the top of your company.” WorldVentures implicitly encourages its members to keep  
28 building the pyramid.



1           43.     Twenty dollars commission is received for each person a member signs up. Every  
2 time the team sells membership, this is called a cycle and a member receives \$200. "3 sales right.  
3 3 sales, left." According to WorldVentures, it does not matter how many travel packages are  
4 sold. All that matters is how many people are signed up in ones downline. According to  
5 WorldVentures, "the binary pays to infinity." If a member has 60 person in his/her downline (30  
6 on the right, 30 on the left) that person obtains "senior membership" entitling them to \$4,000-  
7 5,000 per month. So in effect, if a person signs up 60 people, WorldVentures takes 15-20% of the  
8 profit, and the member receives minimal revenue for the downlines. WorldVentures also does not  
9 disclose its income figures to the Plaintiff and the interim class adequately, but instead discloses  
10 them in a highly misleading fashion.

11           44.     Some of the top representatives were paying the fees for some of their downline  
12 recruits themselves in order to maintain a high rank and appearance of success. WorldVentures  
13 props up its chosen sales representatives by grandfathering them into the highest rank in the  
14 company even though they have not earned it. Indeed, there is a secret compensation plan to  
15 achieve two objectives: to make false disclosures that will show fake "outlier" information and  
16 encourage enrolled persons that they can make money when this is not true. The second purpose  
17 is to favor persons who will strategically help the company in further propping up the pyramid  
18 scheme.

19           45.     WorldVentures' scheme is analogous to YTB's online travel pyramid scheme that  
20 California State Attorney General Brown entered into a stipulated judgment with to ban further  
21 operations. *See* [https://oag.ca.gov/news/press-releases/brown-ends-ytbs-online-travel-pyramid-](https://oag.ca.gov/news/press-releases/brown-ends-ytbs-online-travel-pyramid-scheme)  
22 [scheme.](https://oag.ca.gov/news/press-releases/brown-ends-ytbs-online-travel-pyramid-scheme)

23           46.     During nearly the entire Class Period, WorldVentures did not make adequate  
24 income disclosure statement to its representatives or prospective representatives, particularly  
25 during nearly the entire time that Plaintiff Shi Yiru was a representative for WorldVentures.

26           47.     Instead WorldVentures made deceptive income claims regarding the financial gains  
27 consumers will achieve by becoming representatives. For example, WorldVentures advertises that  
28 those who sign-up for its business opportunity can make over \$26,000 per week. Its

1 representatives also make unrealistic financial promises, such as being able to make millions of  
 2 dollars per year.

3 48. WorldVentures makes false and misleading (affirmatively and by omission) in each  
 4 of its Annual Income Disclosure Statement as follows:

5 a. World Ventures provides a chart that represents some level of success is  
 6 involved:



WorldVentures Marketing, LLC - USA  
**2015 Annual Income Disclosure Statement**

10 WorldVentures has designed its compensation plan to reward Independent Sales Representatives ("IRs") for: (1)  
 11 successfully making personal sales of WorldVentures' retail products (DreamTrips, DreamTrips Gold and DreamTrips  
 Platinum memberships); and (2) successfully building sales organizations, and training and motivating other team members  
 to do the same. Below is an income breakdown.

Promotion Level	High Commissions & Overrides	Median Commissions & Overrides	Minimum Commissions & Overrides	Average Commissions & Overrides	Percentage of Total
Enrolled Representative	\$ 35,824.52	\$ 100.00	\$ 43.35	\$ 252.04	6.651%
Active Representative	\$ 235,420.32	\$ 150.00	\$ 12.00	\$ 285.42	11.316%
Qualified Representative	\$ 17,559.56	\$ 860.02	\$ 12.00	\$ 1,299.69	3.455%
Senior Representative	\$ 72,600.00	\$ 7,534.02	\$ 720.00	\$ 8,477.23	0.561%
Director	\$ 114,675.00	\$ 22,646.21	\$ 6,615.88	\$ 25,312.83	0.159%
Marketing Director	\$ 163,626.80	\$ 49,799.79	\$ 15,552.00	\$ 57,971.18	0.072%
Regional Marketing Director	\$ 364,200.00	\$ 116,490.22	\$ 58,442.49	\$132,513.49	0.018%
National Marketing Director	\$ 630,600.00	\$ 238,645.12	\$ 164,365.00	\$313,657.03	0.005%
International Marketing Director	\$ 1,129,150.00	\$ 409,280.00	\$ 135,295.00	\$532,487.35	0.007%

21 At the end of December 2015 there were 238,684 WorldVentures IRs in the United States. During the period January 2015  
 22 to December 2015 ("Fiscal Period"), 22.24% of all IRs earned a commission or override, while 77.76% did not. The average  
 23 annual commission or override earnings of all IRs, including those who did not earn a commission or override, was \$300.35.  
 The average annual commission or override earnings of that group of IRs who earned a commission or override was  
 \$1,348.82 and the median was \$150.00. The data presented in the table above is based only on those IRs who earned a  
 commission or override within the time period of January 2015 to December 2015.

**Notes:**

1. All amounts are represented in U.S. dollars.
2. These figures do not represent profits, nor do they consider expenses incurred by IRs in the promotion of their business.
3. Promotional levels represented in the table are based on ranks achieved at the end of the last week of December 2015. Refer to the WorldVentures Compensation Plan for full definitions of the Promotional Levels listed in the table.

27 **There are no guarantees regarding income. The success or failure of each Independent Representative in WorldVentures, like any other business, depends on the Independent Representative's own skill, dedication, personal effort, leadership qualities, and market available.**

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b. The chart is a demonstrative misleading and includes various misrepresentations. The chart creates the affirmative representation and representation by omission that all “representatives” make money. The fine print says that 77.76% of the persons who are representatives “did not” without stating in fact those people did not make any money. The first row is misleading suggesting, implying and affirmatively representing that “enrolled representative” comprise 6.651% of World Ventures representatives, when in actuality, all persons who sign up for World Ventures, are at minimum “enrolled representatives.” Simply the first row should actually read:

Promotion Level	High Comm. & Overrides	Median Comm. & Overrides	Minimum Comm. & Overrides	Average Comm. & Overrides	Percentage of Total
Enrolled Representative	Unknown	0	0	Unknown	84.41%

Instead, it reads as follows to create the belief that even those representatives on the “first level” of the pyramid are earning some reasonable income when in actuality they are not and 84.41% earn next to nothing, and the median of those 84.41% is zero revenues:

Promotion Level	High Comm. Overrides	Median Comm. & Overrides	Minimum Comm. & Overrides	Average Comm. & Overrides	Percentage of Total
Enrolled Representative	\$35,824.52	100	43.35	252.04	6.65%

c. Next, the “Active Representative” and “Qualified Representative” and “Senior Representative” rows are smoke and mirrors, deliberately and explicitly misleading, and should be folded into the “Enrolled Representative” line. These three categories are listed separately to create the appearance that as a representative moves up the “pyramid” the median income increases and the

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average income increases. Particularly, the last category “senior representative” has only ½ of 1% of all representatives solely to create the perception of an increase before “director”. So in actuality, all four categories of “representative” enrolled, active, qualified and senior should be folded together because there is no material difference as to these “levels” except to create a façade of success, and if one combines these four rows, the following results are achieved:

Promotion Level	High Comm. Overrides	Median Comm. & Overrides	Minimum Comm. & Overrides	Average Comm. & Overrides	Percentage of Total
Representatives	Unknown	0	0	\$140.59	99.743%

So shockingly, the chart misleadingly fails to identify that the median for 99.743% of all representatives of WorldVentures is zero, and while the average *yearly gross* revenue is \$140.59.

- d. Next, the Income statement is false and misleading because the “high Commissions & Overrides” column reflects false highs, and/or artificially inflated highs based on “overrides.” “Override” is an undefined term in the disclosures. WorldVentures has chosen a select few person to represent the “high” for each of the sales categories by paying them an “override” having nothing to do with performance other than being the crony in the pyramid scheme. Because the “highs” in each rows are outliers and false outliers at that through overrides, the column should be eliminated in its entirety.
- e. So in truth, less than 1/3 of 1% are directors and make any money of substance. The perception based on the chart is that there are four rows and there is a lot of potential for income. Percentages lined up also are misleading because when actual “numbers” of persons are disclosed things become a lot more apparent. For instance, the far right column should really read:

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f. Based on all of the misrepresentations and affirmative and misleading representations, the chart should read as follows:

Promotion Level	People	Median Comm. & Overrides	Average Comm. & Overrides	Minimum Comm. & Overrides	Percentage of Total People
Representatives	238,063	\$0.00	\$140.59	0	99.74%
Directors	621	\$55,000	\$55,961.19	6,615.88	0.26%
Individual Defendants	3	\$6-8 million	\$4.5 mil.	\$1-2 mil.	N/A

g. Finally, the AIDS is misleading because it does not reflect “net earnings or income” for representatives, but instead, reflects “gross” revenues. In a “note” buried towards the bottom of the AIDS page in smaller font than the chart, WorldVentures provides “these figures do not represent profits, nor do they consider expenses incurred by IRs in the promotion of their business.” So the statements are highly misleading in that the profit for 99.7% of all members of WorldVentures (based on their requirement to pay monthly commission fees totaling \$99.99 per month, is as follows:

Promotion Level	People	Median Comm. & Overrides	Net Profit after paying commissions	Minimum Comm. & Overrides	Percentage of Total People
Representatives	238,063	\$0.00	-\$1,057.77	0	99.74%

So in summary, the realistic fact is that 99.7% of WorldVentures enrollees average a *loss of -\$1057.77 per year.*

49. As explained herein, WorldVentures, through its actions and omissions, intended to, and did, conceal from Plaintiff and other representatives in the class during the relevant period material facts and information relating to WorldVentures’s endless chain scheme and its deceptive earnings claims. Plaintiff did not discover, nor had they reason to discover, the information necessary for the causes of action set forth in this Complaint.

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1           50. WorldVentures's acts and omissions constitute a "continuing violation" such that  
2 any limitations period for Plaintiff's claims did not begin to accrue until the date of the last wrong  
3 or injury that is the subject of this action.

4 **V. CLASS ACTION ALLEGATIONS**

5           51. Plaintiff brings this action as a class action under CCP § 382.

6           52. Plaintiff seeks to represent a nationwide class defined as follows:  
7 "All persons who were WorldVentures representatives in the United States from January 2011  
8 until the present." ("Class Period").

9           53. Subject to confirmation, clarification and/or modification based on discovery to be  
10 conducted in this action, Plaintiff also seek to represent a sub-class in California, defined as  
11 follows:

12 "All persons who were WorldVentures representatives in California from January 11, 2011 until  
13 the present."

14           54. Excluded from the class are the Defendants, family members, this Court, and any  
15 "Director" of World Ventures, including without limitation the positions listed as "Director,"  
16 "Marketing Director," "Regional Marketing Director," "National Marketing Director,"  
17 "International Marketing Director."

18           55. Plaintiff seeks relief herself all members of the class who agreed to a choice of law  
19 of provision under California's Unfair and Deceptive Practices Acts, and California's Fraudulent  
20 Advertising Act.

21           56. Plaintiff seek to pursue a private attorney general action for injunctive relief for  
22 herself and all members of the class who agreed to a choice of law, and they satisfy the standing  
23 and class action requirements.

24           57. While the exact number of members in the Class and Subclasses are unknown to  
25 Plaintiff at this time and can only be determined by appropriate discovery, membership in the  
26 class and subclasses is ascertainable based upon the records maintained by Defendant. It is  
27 estimated that the members of the Class are greater than 250,000, nationwide.

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1           58.     Therefore, the Class and Subclasses are so numerous that individual joinder of all  
2 Class and Subclass members is impracticable under CCP § 382.

3           59.     There are questions of law and/or fact common to the class and subclasses,  
4 including but not limited to:

- 5           a.     Whether WorldVentures is operating an endless chain;
- 6           b.     Whether representatives paid money to WorldVentures for (1) the right to sell a  
7                 product and (2) the right to receive, in return for recruiting others, rewards which  
8                 were unrelated to the sale of the product to retail consumers;
- 9           c.     Whether WorldVentures's rules apply to Section 327 claims;
- 10          d.     If the WorldVentures rules do apply, are WorldVentures' rules effective;
- 11          e.     If the WorldVentures rules do apply, and WorldVentures' rules are effective, did  
12                 WorldVentures enforce those rules;
- 13          f.     Whether WorldVentures or the Directors omitted to inform the Plaintiff and the  
14                 plaintiff class that they were entering into an illegal scheme where an  
15                 overwhelming number of participants lose money;
- 16          g.     Whether WorldVentures' statements of compensation during the Class Period were  
17                 deceptive and misleading;
- 18          h.     Whether WorldVentures' conduct constitutes an unlawful, unfair and/or deceptive  
19                 trade practice under California state law;
- 20          i.     Whether WorldVentures' conduct constitutes unfair competition under California  
21                 state law; and
- 22          j.     Whether WorldVentures' conduct constitutes false advertising under California  
23                 state law and

24           60.     These and other questions of law and/or fact are common to the class and  
25 subclasses and predominate over any question affecting only individual class members.

26           61.     Plaintiff's claims are typical of the claims of the class and subclasses in that  
27 Plaintiff were representatives for Defendant WorldVentures and lost money because of the illegal  
28 scheme.

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1 62. Plaintiff will fairly and adequately represent the interests of the class and  
2 subclasses. Plaintiff's claims are typical of those of the class and subclasses. Plaintiff's interests  
3 are fully aligned with those of the class and subclasses. And Plaintiff has retained counsel  
4 experienced and skilled in complex class action litigation.

5 63. Class action treatment is superior to the alternatives for the fair and efficient  
6 adjudication of the controversy alleged, because such treatment will allow many similarly-situated  
7 persons to pursue their common claims in a single forum simultaneously, efficiently and without  
8 unnecessary duplication of evidence, effort, and expense that numerous individual actions would  
9 engender.

10 64. Plaintiff knows of no difficulty likely to be encountered in the management that  
11 would preclude its maintenance as a class action.

12 **VI. CLAIMS FOR RELIEF**

13 **FIRST CLAIM FOR RELIEF**

14 **ENDLESS CHAIN SCHEME; California Penal Code § 327 and Section 1689.2 of the**  
15 **California Civil Code**

16 (Plaintiff on behalf of herself and the Class Against All Defendants including DOES 1 through  
17 100)

18 65. Plaintiff realleges all allegations as if fully set forth herein, and incorporates  
19 previous allegations by reference.

20 66. Section 1689.2 of the California Civil Code provides:  
21 A participant in an endless chain scheme, as defined in Section 327 of the Penal Code, may  
22 rescind the contract upon which the scheme is based, and may recover all consideration paid  
23 pursuant to the scheme, less any amounts paid or consideration provided to the participant  
24 pursuant to the scheme.

25 67. The Defendants are operating an endless chain scheme under Section 327 of the  
26 Penal Code because they have contrived, prepared, set up, and proposed an endless chain.

27 68. The WorldVentures operations constitute a scheme for the disposal or distribution  
28 of property whereby class members pay a valuable consideration for the chance to receive

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1 compensation for introducing one or more additional persons into participation in the scheme or  
2 for the chance to receive compensation when a person introduced by the participant introduces a  
3 new participant.

4 69. Plaintiff and the class have suffered an injury in fact and have lost money or  
5 property because of WorldVentures' operation of an endless chain, business acts, omissions, and  
6 practices.

7 70. Plaintiff and the class are entitled to:

- 8 a. rescind the contracts upon which the scheme is based and recover all consideration
- 9 paid under the scheme, less any amounts paid or consideration provided to the
- 10 participant under the scheme;
- 11 b. restitution, compensatory and consequential damages (where not inconsistent with
- 12 their request for rescission or restitution); and
- 13 c. attorneys' fees, costs, pre and post-judgment interest.

14 **SECOND CLAIM FOR RELIEF**

15 **Unfair and Deceptive Practices Claims Under Cal. Bus. & Prof. Code § 17200, et seq.**

16 (Plaintiff on behalf of herself and the Class Against All Defendants including DOES 1 through  
17 100)

18 71. Plaintiff realleges all allegations as if fully set forth herein, and incorporates  
19 previous allegations by reference.

20 72. All claims brought under this Second Cause of action that refer or relate to the  
21 unlawful, fraudulent or unfair "endless chain" of the Defendants are brought on behalf of Plaintiff  
22 and the Class.

23 73. All claims brought under this Second Cause of Action that refer or relate to the  
24 unlawful, fraudulent or unfair the statements, the touted WorldVentures "business opportunity"  
25 are brought on behalf of Plaintiff and the Class.

26 74. WorldVentures has engaged in constant and continuous unlawful, fraudulent and  
27 unfair business acts or practices, and unfair, deceptive, false and misleading advertising within the  
28 meaning of the California Business and Professions Code § 17200, et seq. The acts or practices

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1 alleged constitute a pattern of behavior, pursued as a wrongful business practice that has  
2 victimized and continues to victimize thousands of consumers. The WorldVentures Sales and  
3 Marketing Plan Is Unlawful.

4 75. Under California Business and Professions Code § 17200, an “unlawful” business  
5 practice is one that violates California law.

6 76. WorldVentures’ business practices are unlawful under § 17200 because they  
7 constitute an illegal “endless chain” as defined under, and prohibited by, California Penal Code §  
8 327.

9 77. WorldVentures utilizes its illegal “endless chain” with the intent, directly or  
10 indirectly, to dispose of property in WorldVentures’ products and to convince representatives to  
11 recruit others to do the same.

12 78. WorldVentures’ business practices are unlawful §17200 because they violate  
13 §17500 *et seq.*, as alleged in the Third Cause of Action.

14 79. Under California Business and Professions Code § 17200, a “fraudulent” business  
15 practice is one that is likely to deceive the public.

16 80. WorldVentures’s business practices are fraudulent in two separately actionable  
17 ways: (1) WorldVentures’s illegal and deceptive “endless chain;” (2) the touted, yet non-existent,  
18 WorldVentures “business opportunity” for everyone, including but not limited to WorldVentures’  
19 massive advertising campaign and the misleading statements of compensation.

20 81. First, as detailed herein, Defendants promoted participation in the WorldVentures  
21 endless chain, which has a compensation program based on payments to participants for the  
22 purchase of product by participants, not the retail sale of products or services.

23 82. WorldVentures has made numerous misleading representations about the business  
24 opportunity of WorldVentures and the income that a recruit or a distributor can realize by  
25 becoming a distributor and participating in the scheme.

26 83. WorldVentures knew, or should have known, that the representations about the  
27 business opportunity of WorldVentures were misleading in nature.

28

1           84. As a direct result of WorldVentures' fraudulent representations and omissions  
2 regarding the WorldVentures endless chain described herein, WorldVentures wrongly acquired  
3 money from Plaintiff and the members of the classes.

4           85. Second, WorldVentures touted, in numerous different ways as part of a massive  
5 advertising campaign, a "business opportunity," which WorldVentures also repeatedly and in  
6 many ways represented, among other things, as being "for everyone" and allowing "full time" or  
7 "part time" opportunities.

8           86. The massive advertising campaign included among other things, the website,  
9 emails, websites, presentations by WorldVentures, training, word of mouth among representatives,  
10 and events.

11           87. As part of this campaign and a further inducement to potential representatives,  
12 WorldVentures made and disseminated Statements of compensation that further misled the public,  
13 among other things: (1) by using cryptic and technical terms known to WorldVentures but not to  
14 the general public or to those exploring the claimed "business opportunity," (2) by highlighting the  
15 "winners," i.e., those that received compensation from WorldVentures, and the average gross  
16 compensation paid by WorldVentures to those winners, (3) by failing to disclose the actual  
17 number of "winners" as compared to the number of representatives who received no compensation  
18 from WorldVentures (i.e., the "losers"); and (4) by downplaying and omitting the risks and costs  
19 involved in starting an WorldVentures representativeship and succeeding in such a  
20 representativeship.

21           88. In reality, the touted "business opportunity" was only for a select few, and those  
22 that were recruited specially. And these numbers did not include expenses incurred by  
23 representatives in the operation or promotion of their businesses, meaning there were likely more  
24 net losers who made no profit at all.

25           89. WorldVentures knew, or should have known, that the selective information  
26 presented to representatives in the Compensation and its massive advertng campaign during that  
27 time frame touting its purported "business opportunity" was likely to mislead the public and did in  
28 fact mislead the public into believing there was a legitimate "business opportunity" in which

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1 representatives, or a large portion of them, could make money in either a full or part time capacity.

2 In fact, however, there was no such “business opportunity,” except for a very select few.

3 90. As a direct result of WorldVentures’ fraudulent representations and omissions  
4 regarding the Statement and the massive adverting campaign during that time frame and thereafter  
5 touting WorldVentures’s purported “business opportunity” described herein, WorldVentures  
6 wrongly acquired money from Plaintiff and the members of the classes.

7 91. The named Plaintiff have standing to bring these Section 17200 claims under the  
8 fraudulent prong and can demonstrate actual reliance on the alleged fraudulent conduct.

9 92. For instance, Plaintiff has been in receipt of misleading and false financial  
10 statements, which promoted the WorldVentures’ scheme and claimed “business opportunity” and  
11 contained material false representations regarding the success representatives could achieve  
12 through WorldVentures by purchasing products and recruiting others to do the same.

13 93. There were other representations made to representatives as part of the massive  
14 advertising campaign regarding the claimed “business opportunity,” on which Plaintiff or some of  
15 the Class Members, reasonably believed the representations they could succeed in the “business  
16 opportunity,” did not return the refund, purchased WorldVentures products and did not  
17 immediately return them, signed up as WorldVentures representatives, and attempted to and  
18 recruited others to do the same. These other representations include, but are not limited to the  
19 following:

- 20 a. Emails from WorldVentures that promoted WorldVentures and contained material  
21 false representations regarding the success that a distributor could achieve through  
22 WorldVentures by purchasing products and recruiting others to do the same.
- 23 b. Websites, such as [www.WorldVentures.com](http://www.WorldVentures.com), which promoted the fraudulent  
24 scheme through videos of Directors containing material false representations  
25 regarding the “business opportunity” available to representatives and the wealth  
26 that a distributor could get by agreeing to become an WorldVentures distributor.
- 27 c. Presentations by WorldVentures representatives which contained material false  
28 representations regarding the “business opportunity” and the success that a

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1 distributor could get through WorldVentures by purchasing products and recruiting  
2 others to do the same.

3 d. Presentations by WorldVentures, including the presentations described in this  
4 complaint, which contained material false representations regarding the “business  
5 opportunity” and the success that a distributor could get through WorldVentures by  
6 purchasing products and recruiting others to do the same.

7 e. Training and events where WorldVentures representatives made material false  
8 representations regarding the “business opportunity” and the success that a  
9 distributor could get through WorldVentures by purchasing products and recruiting  
10 others to do the same.

11 94. To the extent proof of reliance is required of Plaintiff, WorldVentures and the  
12 Directors knew that Plaintiff and the class would reasonably rely on their representations and  
13 omissions, which would cause the Plaintiff and the class joining the fraudulent endless chain  
14 scheme and purchasing the products, and Plaintiff did in fact reasonably rely upon such  
15 representations and omissions.

16 95. Indeed, had Plaintiff and the class known that WorldVentures and its Directors  
17 were promoting an endless chain, they would not have become WorldVentures representatives in  
18 the first place and, if learned after becoming a distributor, they would not have purchased  
19 WorldVentures products thereafter.

20 96. Had Plaintiff and the class known that WorldVentures was promoting a “business  
21 opportunity” that did not exist except for a select few, they would not have become  
22 WorldVentures representatives in the first place and, if learned after becoming a distributor, they  
23 would not have purchased WorldVentures products thereafter.

24 97. Finally, the fraudulent acts, representations and omissions described herein were  
25 material not only to Plaintiff and the class (as described in this complaint), but also to reasonable  
26 persons. For instance, regarding the alleged “business opportunity” and representations in, and  
27 omissions from, the Statement, and on information and belief, a large percentage of individuals  
28 who signed up as WorldVentures representatives during this time frame expected that they could

1 and would receive annual compensation at the approximate level of the "average earnings  
2 compensation," in total, disclosed in the Statements of Average Gross Compensation.

3 Unfortunately, no such large percentage actually could or did earn such an amount.

4 98. Under California Business and Professions Code § 17200, a business practice is  
5 "unfair" if it violates established public policy or if it is immoral, unethical, oppressive or  
6 unscrupulous and causes injury which outweighs its benefits.

7 99. For the reasons set forth herein and above, WorldVentures' promotion and  
8 operation of an unlawful and fraudulent endless chain, and its fraudulent representations and  
9 omissions regarding its purported "business opportunity," are also unethical, oppressive, and  
10 unscrupulous in that WorldVentures is and has been duping Plaintiff and the class out of billions,  
11 or at least hundreds of millions, of dollars.

12 100. WorldVentures' actions have few, if any, benefits. Thus, the injury caused to  
13 Plaintiff and the class easily and dramatically outweigh the benefits, if any.

14 101. Defendants should be made to disgorge all ill-gotten gains and return to Plaintiff  
15 and the class all wrongfully taken amounts.

16 102. Finally, Defendants' unlawful, fraudulent and unfair acts and omissions will not be  
17 completely and finally stopped without orders of an injunctive nature. Under California Business  
18 and Professions Code section 17203, Plaintiff and the class seek a judicial order of an equitable  
19 nature against all Defendants, including, but not limited to, an order declaring such practices as  
20 complained of to be unlawful, fraudulent and unfair, and enjoining them from further undertaking  
21 any of the unlawful, fraudulent and unfair acts or omissions described herein.

22 **THIRD CLAIM FOR RELIEF**

23 **False Advertising - California Business and Professions Code § 17500, et seq.**

24 (Plaintiff on behalf of herself and the Class Against All Defendants including DOES 1 through  
25 100)

26 103. Plaintiff realleges all allegations as if fully set forth herein, and incorporates  
27 previous allegations by reference.

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1           104. All claims brought under this Third Claim for Relief that refer or relate to the false,  
2 untrue, fraudulent or misleading endless chain of Defendants are brought on behalf of Plaintiff and  
3 the Class.

4           105. All claims brought under this Third Cause of Action that refer or relate to the false,  
5 untrue, fraudulent or misleading statements of income are brought on behalf of Plaintiff and the  
6 Pre-February 2013 Statement of Income.

7           106. All claims brought under this Third Claim for Relief that refer or relate to the false,  
8 untrue, fraudulent or misleading statements of income are brought on behalf of Plaintiff and the  
9 Class.

10           107. Defendants' business acts, false advertisements and materially misleading  
11 omissions constitute false advertising, in violation of the California Business and Professions  
12 Code § 17500, et seq.

13           108. Defendants engaged in false, unfair and misleading business practices, consisting  
14 of false advertising and materially misleading omissions regarding the purported "business  
15 opportunity," likely to deceive the public and include, but are not limited to, the items set forth  
16 above. WorldVentures knew, or should have known, that the representations about the business  
17 opportunity of WorldVentures were misleading in nature.

18           109. Because of Defendants' untrue and/or misleading representations, Defendants  
19 wrongfully acquired money from Plaintiff and the class members to which they were not entitled.  
20 The Court should order Defendants to disgorge, for the benefit of Plaintiff and all other  
21 WorldVentures representatives in the class who signed an agreement with WorldVentures  
22 governed by California law their profits and compensation and/or make restitution to Plaintiff and  
23 the Class.

24           110. Under California Business and Professions Code Section 17535, Plaintiff and the  
25 class seek a judicial order directing Defendants to cease and desist all false advertising related to  
26 the Defendants' illegal endless chain scheme, and such other injunctive relief as the Court finds  
27 just and appropriate.

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1 111. Because of Defendants' untrue and/or misleading representations, Defendants  
2 wrongfully acquired money from Plaintiff and the class members to which they were not entitled.  
3 The Court should order Defendants to disgorge, for the benefit of Plaintiff and all other  
4 WorldVentures representatives in the class who signed a Distributor Agreement with  
5 WorldVentures their profits and compensation and/or make restitution to Plaintiff and the class.

6 112. Under California Business and Professions Code Section 17535, Plaintiff and the  
7 class seek a judicial order directing Defendants to cease and desist from all false advertising  
8 related to the Defendants' illegal scheme, and such other injunctive relief as the Court finds just  
9 and appropriate.

10 **FOURTH CLAIM FOR RELIEF**

11 **(RICO 18 U.S.C. § 1962(a))**

12 (Plaintiff on behalf of herself and the Class Against All Defendants including DOES 1 through  
13 100)

14 113. Plaintiff realleges all allegations as if fully set forth herein, and incorporates  
15 previous allegations by reference.

16 114. WorldVentures, the other Defendants, and those in conspiracy, willfully and  
17 intentionally violated and continue to violate RICO and California law with the goal of obtaining  
18 money, directly and indirectly, through a pattern of racketeering activities in violation of the mail  
19 and wire fraud statutes, 18 U.S.C. §§ 1341 and 1343, 18 U.S.C. § 1962(a), and California Penal  
20 Code § 327.

21 115. Each of the Defendants are engaged in activities of federal interstate and foreign  
22 commerce and are entities capable of holding a legal or beneficial interest in property. All  
23 Defendants are "persons," as that term is defined by 18 U.S.C. § 1961(3).

24 116. The Defendants (with the individual defendants) together make up the  
25 "WorldVentures Enterprise" as an association of entities and individuals associated in fact to  
26 operate an illegal pyramid scheme. The WorldVentures Enterprise is not a legal entity within the  
27 meaning of "enterprise" as defined in 18 U.S.C. § 1961(4). The Defendants have been members of  
28 the WorldVentures Enterprise from at least April 2009 and continuing until the present.



1 WorldVentures and the Directors are separate entities from the WorldVentures Enterprise and play  
2 separate and distinct roles in the operation of the WorldVentures Enterprise.

- 3 a. WorldVentures is creator, architect, and beneficiary of the WorldVentures Pyramid.  
4 Through interstate wire and mails, it coordinates the WorldVentures Enterprise, a  
5 worldwide scheme. It also pays and awards the commissions, bonuses, and other  
6 incentives to the Defendants and others.
- 7 b. WorldVentures employs the Defendants to coordinate operations of the  
8 WorldVentures Pyramid in the countries in which WorldVentures operates,  
9 including determining and coordinating points, bonuses, and other incentives.
- 10 c. WorldVentures employs the other defendants as its operational arm of the  
11 WorldVentures Enterprise to conduct racketeering activities in the U.S.
- 12 d. WorldVentures employs the remainder of the Defendants to induce new recruits  
13 into the WorldVentures' Pyramid, to induce representatives to purchase  
14 WorldVentures' product, and to induce representatives to recruit additional  
15 representatives into the WorldVentures Pyramid. The Remaining Defendants also  
16 have an agreement with WorldVentures mandating that WorldVentures will not  
17 reform its fraudulent marketing plan without their consent.

18 117. From at least April 2009 and continuing until the present, within the County of Los  
19 Angeles, and elsewhere, WorldVentures in association with the other defendants, did knowingly,  
20 willfully and unlawfully conduct and participate, directly and indirectly, in the conduct of the  
21 affairs of the WorldVentures Enterprise through a pattern of racketeering activity.

22 118. From at least April 2009 and continuing until the present, WorldVentures with each  
23 other and the remaining defendants, executed a *per se* scheme to defraud through a pattern of  
24 racketeering made up of distinct acts of mail and wire fraud under 18 U.S.C. §§ 1341 and 1343.  
25 The WorldVentures Enterprise engaged in and affected interstate and foreign trade. The  
26 WorldVentures Enterprise transacts business through the instrumentalities of interstate commerce  
27 such as telephones, facsimile machines, the internet, email, and the United States mail and  
28 interstate commercial carrier to communicate in furtherance of the activities of the WorldVentures

1 Enterprise.

2 119. The WorldVentures Enterprise advertises, markets, and sells products and services  
3 throughout the United States. The operation of the enterprise continued over several years,  
4 including activities in every state, and has affected and damaged, and continues to affect and  
5 damage, commercial activity.

6 120. To further the goals of the WorldVentures Enterprise, which were to (1) earn  
7 money through fraudulent means, (2) entice individuals to become WorldVentures representatives,  
8 (3) entice individuals to purchase products from WorldVentures, (4) entice individuals to recruit  
9 others to become WorldVentures representatives and profit off those recruits' purchases of  
10 WorldVentures' travel packages, (5) reap large profits for themselves based on false  
11 representations, WorldVentures and the remaining defendants engaged in various forms of illegal  
12 activity, including (a) mail fraud, (b) wire fraud, and (c) conspiracy.

13 121. The pattern of racketeering activity alleged is distinct from the WorldVentures  
14 Enterprise. Each act of racketeering activity is distinct from the WorldVentures Enterprise in that  
15 each is a separate offense committed by an entity or individual while the WorldVentures  
16 Enterprise is an association of entities and individuals. The WorldVentures' Enterprise has an  
17 ongoing structure and/or organization supported by personnel and/or associates with continuing  
18 functions or duties.

19 122. The racketeering acts set out above and below, and others, all had the same pattern  
20 and similar purpose of defrauding Plaintiff and the class for the benefit of the WorldVentures  
21 Enterprise and its members. Each racketeering act was related, had a similar purpose, involved the  
22 same or similar participants and methods of commission and had similar results affecting Plaintiff  
23 and the class. The racketeering acts of mail and wire fraud were also related to each other in that  
24 they were part of the WorldVentures Enterprises' goal to fraudulently induce Plaintiff and the  
25 Class to join the illegal scheme, purchase products, and recruit others to join the scheme.

26 123. WorldVentures' and other Defendants' wrongful conduct has been and remains part  
27 of WorldVentures Enterprises' ongoing way of doing business and constitutes a continuing threat  
28 to the property of Plaintiff and the class. Without the repeated acts of mail and wire fraud, the

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1 WorldVentures Enterprise's fraudulent scheme would not have succeeded.

2 124. Revenue gained from the pattern of racketeering activity, which constitutes a  
3 significant portion of the total income of WorldVentures and the Directors, was reinvested in the  
4 operations of the WorldVentures Enterprise for the following purposes: (a) to expand the  
5 operations of the WorldVentures Enterprise through additional false and misleading advertising  
6 and promotional materials aimed at recruiting new representatives; (b) to facilitate the execution  
7 of the illegal scheme; and (c) to convince current representatives to recruit new representatives,  
8 and purchase WorldVentures' products.

9 125. Plaintiff Yiru and the class were injured by the reinvestment of the racketeering  
10 income into the WorldVentures Enterprise because they invested billions of dollars of their own  
11 money through their purchasing of products, promotional materials, and WorldVentures products,  
12 all of which were packaged and shipped at inflated charges.

13 126. In connection with promoting and executing their illegal scheme, members of the  
14 WorldVentures' Enterprise knowingly and recklessly placed and caused to be placed in the United  
15 States mail or by interstate commercial carrier, or took or received therefrom, matters or things to  
16 be sent to or delivered by the United States mail or by interstate commercial carrier comprising,  
17 among other things product, invoices, letters, promotional materials, brochures, products and  
18 checks to Plaintiff and the class and received communications between and among themselves  
19 through the United States mail, in all fifty states and the District of Columbia. It was reasonably  
20 foreseeable that these mailings or receipts would take place in furtherance of the fraudulent  
21 scheme.

22 127. In connection with promoting and executing their illegal scheme, members of the  
23 WorldVentures' Enterprise engaged in wire fraud, in violation of 18 U.S.C. § 1343, by, among  
24 other things, knowingly and recklessly transmitting or causing to be transmitted with wire  
25 communications, in interstate and foreign trade, materials promoting the illegal WorldVentures  
26 Pyramid on internet web sites, radio, satellite radio, television, email, facsimile, telephone, and  
27 text messages, including promotional materials, registration information, product information, and  
28 invoices. WorldVentures and Directors maintain websites on the internet where the enterprise was

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1 perpetrated.

2 128. WorldVentures' representatives can and do buy products and are given  
3 inducements to continue working as representatives within the WorldVentures Pyramid.  
4 WorldVentures maintains various websites that host promotional videos featuring the Directors  
5 promoting the unlawful scheme and other marketing materials featuring the Directors promoting  
6 the illegal scheme. WorldVentures sent and received these interstate wire communications to and  
7 from all fifty states and the District of Columbia.

8 129. Each Defendant has promoted the WorldVentures Pyramid and WorldVentures  
9 Enterprise. Each use of the mail or wire by Defendants and the Directors done in furtherance of  
10 the WorldVentures pyramid is an act of racketeering.

11 130. The pattern of racketeering activity through which the affairs of the WorldVentures  
12 Enterprise were conducted and in which WorldVentures and the Directors participated consisted  
13 of the following:

14 **Racketeering Act Number One**

15 131. In 2015, plaintiff Yiru received, through private commercial interstate carrier and  
16 the internet portal maintained by WorldVentures, certain application materials, which promoted  
17 the WorldVentures Enterprise and contained material false representations regarding the success  
18 representatives could achieve through WorldVentures by purchasing travel packages and  
19 recruiting others to do the same.

20 132. Because of her receipt of these materials, Plaintiff Yiru signed up with  
21 WorldVentures purchased WorldVentures travel packages, and recruited others to do the same.  
22 The materials and package items were sent to Plaintiff Yiru with the purpose and intent of  
23 promoting the WorldVentures Enterprise's illegal scheme, all in violation of 18 U.S.C. § 1341.

24 **Racketeering Act Number Two**

25 133. In 2015, Plaintiff Yiru received, through private commercial interstate carrier, and  
26 the internet portal maintained by the Defendants, a 2015 Annual Income Disclosure Statement,  
27 which promoted the WorldVentures Enterprise and the WorldVentures pyramid through the sales  
28 and marketing plan, and which contained material false representations regarding the success that

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1 representatives could achieve through WorldVentures by purchasing travel packages and  
2 recruiting others to do the same.

3 134. Because of her receipt of the representations, Plaintiff Yiru signed up with  
4 WorldVentures, purchased WorldVentures travel package, and recruited others to do the same.  
5 The Income Disclosure Statement with the purpose and intent of promoting the WorldVentures  
6 Enterprise's illegal scheme, all in violation of 18 U.S.C. § 1341.

7 **Racketeering Act Number Three**

8 135. In 2015 through 2016, Plaintiff Yiru ordered, through interstate wire transmissions  
9 over the internet travel packages, which were promoted by the WorldVentures Enterprise as the  
10 means by which representatives such as Yiru could "pay for their position" and get greater retail  
11 profits. WorldVentures hosted these websites. Yiru paid WorldVentures for these products using  
12 an electronic transfer of funds. WorldVentures shipped Yiru these products through private  
13 commercial interstate carrier. WorldVentures coordinated through interstate wires on at least a  
14 monthly basis following the order the collection and accruing of the rewards associated with those  
15 purchases. Because of the promised "rewards," "profits," and opportunity to advance up the  
16 WorldVentures Pyramid, Plaintiff Yiru purchased WorldVentures Products, paid for those  
17 WorldVentures travel packages, and received those products, using instrumentalities of interstate  
18 commerce. Defendants' actions violated 18 U.S.C. §§ 1341 and 1343.

19 **Racketeering Act Number Four**

20 136. Throughout April of 2009 and continuing, WorldVentures distributed information  
21 by interstate wire transmissions over the internet, such as [www.WorldVentures.com](http://www.WorldVentures.com),  
22 worldventuresfoundation.org. Yiru reviewed the website. The WorldVentures websites promoted  
23 the fraudulent scheme through videos of Directors containing material false representations  
24 regarding the business opportunity available to representatives, and the wealth that a distributor  
25 could get by agreeing to become an WorldVentures distributor. Because of the representations on  
26 WorldVentures's websites, Yiru became an WorldVentures distributor and maintained his position  
27 as an WorldVentures distributor and continued to order WorldVentures products and recruit others  
28 to do the same. This violated 18 U.S.C. § 1343.

**Racketeering Act Number Five**

1  
2 137. Throughout 2016, the members distributed information by interstate wire  
3 transmissions over the internet promoting WorldVentures as described in this Complaint. These  
4 videos promoted the fraudulent pyramid scheme and contained material false representations  
5 regarding the wealth that a recruit or WorldVentures distributor could achieve if that recruit  
6 became an WorldVentures distributor and if a distributor purchased WorldVentures products. This  
7 violated 18 U.S.C. § 1343.

8 138. WorldVentures' and the Directors' representations and omissions were the  
9 proximate cause of Yiru and the class joining the fraudulent scheme and purchasing the products.

10 139. To the extent proof of reliance is legally required, in engaging in the  
11 aforementioned wire and mail fraud, WorldVentures and the Directors knew that Yiru and the  
12 class would reasonably rely on their representations and omissions which would cause the Plaintiff  
13 and the class joining the fraudulent pyramid scheme and purchasing the products.

14 140. Defendants and the Directors knew that the misrepresentations and omissions  
15 described above in promoting and executing the fraudulent scheme were material because they  
16 caused Yiru and the class to join and participate in the illegal scheme.

17 141. Had Yiru and the class known that WorldVentures and the Directors were  
18 promoting an illegal scheme, they would not have joined the WorldVentures' pyramid scheme.

19 142. WorldVentures' and the Directors' acts of mail and wire fraud were a proximate  
20 cause of the injuries that Yiru and the class suffered. Because of WorldVentures and the Directors'  
21 pattern of unlawful conduct, Yiru and the class lost hundreds of millions of dollars, if not billions  
22 of dollars.

23 143. Under 18 U.S.C. § 1964, Yiru and the class are entitled to treble their damages,  
24 plus interest, costs and attorney's fees.

**FIFTH CLAIM FOR RELIEF**

**RICO 18 U.S.C. § 1962(c)**

25  
26  
27 (Plaintiff on behalf of herself and the Class Against All Defendants including DOES 1 through  
28 100)

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1 144. Plaintiff realleges all allegations as if fully set forth herein, and incorporates  
2 previous allegations by reference.

3 145. WorldVentures and the Directors are associated with the WorldVentures  
4 Enterprise. In violation of 18 U.S.C. § 1962(c), WorldVentures and the Directors conducted  
5 and/or participated in the conduct of the affairs of the WorldVentures Enterprise, including  
6 participation in activities in furtherance of the WorldVentures Defendants' fraudulent scheme,  
7 through the pattern of racketeering activity earlier alleged.

8 146. As a direct and proximate result of WorldVentures' and the Directors' violation of  
9 18 U.S.C. § 1962(c), Yiru and the class were induced to, and did, become representatives in the  
10 WorldVentures Pyramid scheme and purchased hundreds of millions of dollars, if not billions of  
11 dollars of the WorldVentures products and recruited others to do the same. Yiru and the class were  
12 injured by WorldVentures' and the Directors' unlawful conduct. The funds used to buy  
13 WorldVentures products constitute property of Yiru and the class within the meaning of 18 U.S.C.  
14 § 1964(c).

15 147. Under 18 U.S.C. § 1964(c), Yiru and the class are entitled to treble their damages,  
16 plus interest, costs and attorney's fees.

17 **SIXTH CLAIM FOR RELIEF**

18 **(RICO 18 U.S.C. § 1962(d))**

19 (Plaintiff on behalf of herself and the Class Against All Defendants including DOES 1 through  
20 100)

21 148. Plaintiff realleges all allegations as if fully set forth herein, and incorporates  
22 previous allegations by reference.

23 149. WorldVentures and the Directors agreed to work together in a symbiotic  
24 relationship to carry on the illegal scheme. Under that agreement, WorldVentures, WorldVentures  
25 Holdings, World Ventures Foundation, and the Directors and others conspired to violate 18 U.S.C.  
26 § 1962(a) and (c), in violation of 18 U.S.C. § 1962(d).

27 150. As a direct and proximate result of WorldVentures' and the Directors' violation of  
28 18 U.S.C. § 1962(d), Yiru and the class were injured by WorldVentures' and the Directors'

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1 unlawful conduct. The funds used to buy WorldVentures products constitute property of Yiru and  
2 the class under 18 U.S.C. § 1964(c).

3 151. Under 18 U.S.C. § 1964(c), Yiru and the class are entitled to treble their damages,  
4 plus interest, costs and attorney's fees.

5 **PRAYER FOR RELIEF**

6 The named Plaintiff and the Plaintiff class and subclasses request the following relief:

- 7 a. Certification of the class and subclasses;
- 8 b. A jury trial and judgment against Defendants;
- 9 c. Rescission of the agreements upon which the scheme is based, and recovery of all  
10 consideration paid pursuant to the scheme, less any amounts paid or consideration provided to the  
11 participant pursuant to the scheme;
- 12 d. Damages for the financial losses incurred by Plaintiff and by the class and  
13 subclasses because of the WorldVentures Defendants' conduct and for injury to their business and  
14 property;
- 15 e. Restitution and disgorgement of monies;
- 16 f. Temporary and permanent injunctive relief enjoining WorldVentures from paying  
17 its Representatives recruiting rewards that are unrelated to retail sales to ultimate users and from  
18 further unfair, unlawful, fraudulent and/or deceptive acts;
- 19 g. The cost of suit including reasonable attorneys' fees under California Code of Civil  
20 Procedure § 1021.5, Civil Code §1689.2, and otherwise by law.
- 21 h. For damages in an amount yet to be ascertained as allowed by law; and
- 22 i. For such other damages, relief and pre- and post-judgment interest as the Court  
23 may deem just and proper.

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Respectfully submitted,



Dated: April 28, 2017

By: \_\_\_\_\_

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**DEMAND FOR JURY TRIAL**

Plaintiff Melody Yiru on behalf of herself and those similarly situated, hereby requests a jury trial on all matters so triable.

Dated: April 28, 2017

By:   
\_\_\_\_\_

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