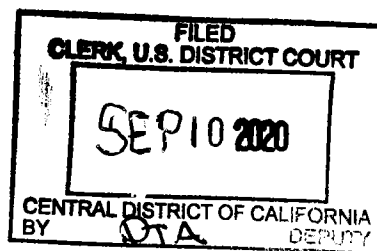


1 Bryan Quesenberry
197 East 100 North, Suite A
2 Payson, UT 84651
801-473-9951
3 jbq.esq@gmail.com
Plaintiff/Relator

Fee Paid



5 UNITED STATES DISTRICT COURT
6 CENTRAL DISTRICT OF CALIFORNIA

7 UNITED STATES OF AMERICA, ex
8 rel. BRYAN QUESENBERY,

Plaintiff,

9 vs.

10 2 EVIL GENIUSES; A-1 GLASS,
11 LLC; ADAMSON AHDOOT, LLP;
12 ALEXANDER POU; ALLSTAR
13 HEALTH PROVIDERS, INC;
14 AMIGOS PAWNSHIP, INC; ARIES
15 YAN INVESTMENTS; ARSA
16 MEDICAL WHOLESALE, INC; B E
17 PRODUCTS, INC; BEST TIME
18 EXPRESS, INC; BMW NATION
19 WIDE SECURITY, INC;
20 CALIFORNIA AUGER BORING,
INC; CENTERPOINT MINISTRIES;
CHERNOVTEAM;
CHRISTOFFERSON
TRANSPORTATION, INC; CITY
LOGISTICS AND TRANSPORT,
INC; COMPANION HOSPICE, LLC;
CREATIVE COMPOUNDS, INC;
DEAN SALO DDS, INC; DOUBLE A
DISTRIBUTION, INC; ECLIPSE
RECREATIONAL VEHICLES, INC;
EL COMPADRE, INC; EYES

Case No.

2:20cv08497-MWF-ASx
COMPLAINT FOR VIOLATION
OF FEDERAL FALSE CLAIMS
ACT

(Filed in camera and under seal)
(DO NOT PLACE ON PACER)

JURY TRIAL DEMANDED

1 CREATIVE, LLC; FALCON
 2 MOTORS, INC; FETCH
 3 INDUSTRIES, INC. FINELINE
 4 WOODWORKING, INC;
 5 FURNITOPIA, LLC; GOGI HOUSE;
 6 GOODNEWS ENTERPRISES, INC;
 7 GORJANA & GRIFFIN, INC; GREEN
 8 VIEW NURSERY, INC; HORIZON 5
 9 LAKES, LLC; INNOVA CLAIMS
 10 MANAGEMENT, LLC; JAMES
 11 MCMINN, INC; JK ENGINEERING
 12 AEROSPACE & DEFENSE; JLL
 13 SOLUTIONS, INC; JMG
 14 INVESTMENTS, INC; JOHN'S
 15 INCREDIBLE PIZZA COMPANY,
 16 INC; JOURNEYMEN
 17 CONSTRUCTION; K9 BALLISTICS,
 18 INC; LABEL DADDY PARTNERS,
 19 LLC; LAND GORILLA, LLC;
 20 LARGE INVESTMENT GROUP,
 INC; M LIBRUSH CONSTRUCTION,
 INC; MAGNUSON PRODUCTS,
 LLC; MH HOMES, LLC; MICRO
 GROW GREENHOUSE SYSTEMS;
 MICRODYNE PLASTICS, INC; N
 BHULLAR, INC; NEIGHBORHOOD
 PHARMACY, INC; NEW WORLD
 EMPIRE TRADING, INC; OC
 VETERINARY MEDICAL CENTER,
 INC; OLA, INC; OLD MISSION
 GRAMMAR SCHOOL PARENTS
 CLUB aka OLD MISSION SCHOOL;
 ORRTEK, INC; OTTIMO
 RESOURCES, INC; PACIFIC
 ANTENNA SYSTEMS; PANDA
 MOTORS, INC; PIG N WHISTLE,
 LLC; POSH MANAGEMENT;
 POWER1 INTEGRATED, INC;
 PROMAX INTERNATIONAL /
 BPME; RADEGY, INC; RESERVE

1 DIVERSIFIED, INC; RNC CAPITAL
 2 MANAGEMENT, LLC; SHAZOH,
 3 INC; SIOUX TRUCKING, INC; SO
 4 CAL PF, LLC; SOCIAL WISE, INC;
 5 SOUTHERN CALIFORNIA
 6 MEDICAL GROUP;
 7 SOUTHWESTERN INDUSTRIES,
 8 INC; SPYDERBUILT; ST.
 9 ALOYSIUS GONZAGA SCHOOL;
 10 STAR ELECTRIC, INC; SUNSET
 11 SLEEP LABS, LLC; SUPERIOR
 ENTERPRISES, LLC; SWINDEMAN
 TRADING, LLC; THE LITTLE
 MARKET, INC; TOMNATCO, INC;
 UNITED GLOBAL NEWS;
 VAYSFELD STUDIOS, LLC; WEST
 COAST CHASSIS; WILLIAM B,
 LLC; WOODCREST SCHOOLS, INC;
 and WOODLAND HILLS
 FIREPLACE SHOP,

Defendants.

12 Plaintiff-Relator Bryan Quesenberry, acting pro se, on behalf of the United
 13 States of America (the “Government” or the “Federal Government”) and against
 14 the above-named Defendants, alleges based upon personal knowledge, relevant
 15 documents, information, and belief, as follows.

INTRODUCTION

17
 18 1. This is an action to recover damages and civil penalties on behalf of
 19 the United States of America arising from false and/or fraudulent records,
 20 statements, and claims made and caused to be made by Defendants and/or their

1 agents and employees, in violation of the federal False Claims Act, 31 U.S.C. §§
2 3729, *et seq.* (“**the FCA**”).

3 2. This action seeks to recover millions of federal dollars wrongfully
4 loaned to Defendants through the Federal Government’s Payroll Protection
5 Program (“**PPP**”). The PPP provides a pathway to borrowers for forgiveness of
6 these loans.

7 3. Pursuant to the PPP, the Federal Government has spent billions of
8 dollars in stimulus funding, as well as other federal funding, to support and aid
9 legitimate businesses through the coronavirus pandemic.

10 4. This action alleges that certain Defendants applied multiple times for
11 PPP funds and received PPP funds multiple times despite the PPP application and
12 rules prohibiting applicants from receiving PPP funds more than once.

13 5. The FCA was enacted during the Civil War, and was substantially
14 amended in 1986, and again in 2009 and 2010. Congress amended the FCA in
15 1986 to enhance the Federal Government’s ability to recover losses sustained as a
16 result of fraud against the United States after finding that fraud in federal programs
17 was pervasive and that the FCA, which Congress characterized as a primary tool
18 for combating government fraud, was in need of modernization. The amendments
19 create incentives for individuals to come forward with information about fraud
20 against the Federal Government without fear of reprisals or inaction, and enable

1 the use of private legal resources to prosecute fraud claims on the Federal
2 Government's behalf.

3 6. The FCA prohibits, *inter alia*: (1) knowingly presenting, or causing to
4 be presented, a false or fraudulent claim for payment or approval; and (2)
5 knowingly making or using, or causing to be made or used, a false or fraudulent
6 record or statement material to a false or fraudulent claim. 31 U.S.C. §§
7 3729(a)(1)(A), (B). Any person who violates the FCA is liable for a civil penalty
8 of up to \$11,000 for each such claim, **plus three times the amount of the**
9 **damages** sustained by the Government. 31 U.S.C. § 3729(a)(1)(A) (as adjusted by
10 the Federal Civil Penalties Inflation Adjustment Act of 1990 [28 U.S.C. § 2461
11 note; Public Law 104-410]).

12 7. In 2009, Congress amended the FCA to clarify that a "claim" includes
13 "any request or demand, whether under a contract or otherwise, for money or
14 property and whether or not the United States has title to the money or property
15 that (i) is presented to an officer, employee, or agent of the United States; or (ii) is
16 made to a contractor, grantee, or other recipient, if the money or property is to be
17 spent or used on the Government's behalf or to advance a Government program or
18 interest..." 31 U.S.C. § 3729(b)(2).

19 8. The FCA allows any person having information about an FCA
20 violation to bring an action for himself and the Federal Government, and to share

1 in any recovery. The FCA requires that the complaint be filed under seal for a
 2 minimum of 60 days (without service on Defendants during that time) to allow the
 3 Federal Government time to conduct its own investigation and to determine
 4 whether to join the suit.

5 9. Based on the foregoing laws, *qui tam* Plaintiff/Relator seeks through
 6 this action to recover all available damages, civil penalties, and other relief for the
 7 violations alleged herein in every jurisdiction to which Defendants' misconduct
 8 has extended.

9 **PARTIES**

10 10. Plaintiff/Relator Bryan Quesenberry ("**Relator**") is a resident of Utah.
 11 He brings this action on behalf of the United States of America, the real party in
 12 interest.

13 11. The following is a chart identifying each Defendant, the amounts of
 14 PPP funds they received, their address and location where they conduct business,
 15 and the dates they applied for PPP funds.

<u>AMOUNT</u>	<u>DEFENDANT</u>	<u>CITY</u>	<u>APP. DATE</u>
\$350,000-1 million	2 EVIL GENIUSES	SANTA ANA	4/29/2020
\$350,000-1 million	2 EVIL GENIUSES	SANTA ANA	5/3/2020
\$150,000-350,000	A-1 GLASS, LLC	PASO ROBLES	5/5/2020
\$150,000-350,000	A-1 GLASS, LLC	PASO ROBLES	4/27/2020

\$150,000-350,000	ADAMSON AHDOOT, LLP	LOS ANGELES	5/1/2020
\$150,000-350,000	ADAMSON AHDOOT, LLP	LOS ANGELES	4/30/2020
\$150,000-350,000	ALEXADER POU	THOUSAND OAKS	6/30/2020
\$150,000-350,000	ALEXADER POU	THOUSAND OAKS	6/30/2020
\$150,000-350,000	ALLSTAR HEALTH PROVIDERS, INC.	RANCHO CUCAMONGA	5/3/2020
\$150,000-350,000	ALLSTAR HEALTH PROVIDERS, INC.	RANCHO CUCAMONGA	5/1/2020
\$150,000-350,000	AMIGOS PAWNSHOP, INC.	LOS ANGELES	6/24/2020
\$150,000-350,000	AMIGOS PAWNSHOP, INC.	LOS ANGELES	5/29/2020
\$150,000-350,000	AIRES YAN INVESTMENTS	VAN NUYS	6/29/2020
\$150,000-350,000	AIRES YAN INVESTMENTS	VAN NUYS	6/30/2020
\$150,000-350,000	ARSA MEDICAL WHOLESALE, INC.	LOS ANGELES	5/4/2020
\$150,000-350,000	ARSA MEDICAL WHOLESALE, INC.	NORTH HOLLYWOOD	5/21/2020
\$150,000-350,000	B E PRODUCTS, INC.	PLACENTIA	6/30/2020
\$150,000-350,000	B E PRODUCTS, INC.	PLACENTIA	4/28/2020
\$350,000-1 million	BEST TIME EXPRESS, INC.	FONTANA	6/29/2020
\$350,000-1 million	BEST TIME EXPRESS, INC.	FONTANA	6/30/2020

\$350,000-1 million	BMW NATION WIDE SECURITY, INC.	LONG BEACH	5/29/2020
\$150,000-350,000	BMW NATION WIDE SECURITY, INC.	LONG BEACH	5/27/2020
\$150,000-350,000	CALIFORNIA AUGER BORING, INC.	ANAHEIM	4/28/2020
\$150,000-350,000	CALIFORNIA AUGER BORING, INC.	ANAHEIM	5/6/2020
\$150,000-350,000	CENTERPOINT MINISTRIES	MURRIETA	4/27/2020
\$150,000-350,000	CENTERPOINT MINISTRIES	MURRIETA	5/3/2020
\$150,000-350,000	CHERNOVTEAM	LOS ANGELES	5/15/2020
\$150,000-350,000	CHERNOVTEAM	STUDIO CITY	6/30/2020
\$150,000-350,000	Christofferson Transportation, Inc.	RIVERSIDE	5/1/2020
\$150,000-350,000	Christofferson Transportation, Inc.	RIVERSIDE	4/28/2020
\$350,000-1 million	CITY LOGISTICS AND TRANSPORT, INC.	CARSON	4/28/2020
\$350,000-1 million	CITY LOGISTICS AND TRANSPORT, INC.	LONG BEACH	4/28/2020
\$1-2 million	COMPANION HOSPICE, LLC	DOWNEY	4/28/2020
\$350,000-1 million	COMPANION HOSPICE, LLC	RIVERSIDE	4/28/2020
\$350,000-1 million	CREATIVE COMPOUNDS, INC	COSTA MESA	4/29/2020
\$350,000-1 million	CREATIVE COMPOUNDS, INC	COSTA MESA	4/29/2020

\$350,000-1 million	DEAN SALO DDS, INC	LOS ANGELES	4/7/2020
\$150,000-350,000	DEAN SALO DDS, INC	TORRANCE	4/7/2020
\$150,000-350,000	DOUBLE A DISTRIBUTION, INC.	EASTVALE	5/3/2020
\$150,000-350,000	DOUBLE A DISTRIBUTION, INC.	EASTVALE	6/30/2020
\$1-2 million	ECLIPSE RECREATIONAL VEHICLES, INC.	RIVERSIDE	6/29/2020
\$1-2 million	ECLIPSE RECREATIONAL VEHICLES, INC.	RIVERSIDE	6/30/2020
\$350,000-1 million	EL COMPADRE, INC	LOS ANGELES	5/1/2020
\$150,000-350,000	EL COMPADRE, INC	LOS ANGELES	5/2/2020
\$150,000-350,000	EYES CREATIVE, LLC	LOS ANGELES	4/28/2020
\$150,000-350,000	EYES CREATIVE, LLC	LOS ANGELES	6/30/2020
\$350,000-1 million	FALCON MOTORS, INC	PANORAMA CITY	5/3/2020
\$150,000-350,000	FALCON MOTORS, INC	PANORAMA CITY	4/30/2020
\$150,000-350,000	FETCH INDUSTRIES, INC	CANOGA PARK	4/27/2020
\$150,000-350,000	FETCH INDUSTRIES, INC	LOS ANGELES	5/8/2020
\$150,000-350,000	FETCH INDUSTRIES, INC	LOS ANGELES	5/1/2020

\$1-2 million	FINELINE WOODWORKING, INC.	COSTA MESA	5/3/2020
\$350,000-1 million	FINELINE WOODWORKING, INC.	COSTA MESA	4/15/2020
\$350,000-1 million	FINELINE WOODWORKING, INC.	COSTA MESA	6/30/2020
\$150,000-350,000	FURNITOPIA, LLC	MONTEBELLO	6/29/2020
\$150,000-350,000	FURNITOPIA, LLC	MONTEBELLO	6/29/2020
\$150,000-350,000	GOGI HOUSE	SANTA CLARITA	5/3/2020
\$150,000-350,000	GOGI HOUSE	SANTA CLARITA	4/15/2020
\$1-2 million	GOODNEWS ENTERPRISES, INC.	TORRANCE	4/27/2020
\$150,000-350,000	GOODNEWS ENTERPRISES, INC.	TORRANCE	5/3/2020
\$1-2 million	GORJANA & GRIFFIN, INC.	LAGUNA BEACH	5/1/2020
\$1-2 million	GORJANA & GRIFFIN, INC.	LAGUNA BEACH CA	4/29/2020
\$150,000-350,000	GREEN VIEW NURSERY, INC.	CALABASAS	5/19/2020
\$150,000-350,000	GREEN VIEW NURSERY, INC.	CALABASAS	5/19/2020
\$1-2 million	HORIZON 5 LAKES, LLC	LOS ANGELES	5/27/2020
\$1-2 million	HORIZON 5 LAKES, LLC	CANOGA PARK	6/1/2020
\$350,000-1 million	INNOVA CLAIMS MANAGEMENT, LLC	MISSION VIEJO	5/3/2020

\$350,000-1 million	INNOVA CLAIMS MANAGEMENT, LLC	MISSION VIEJO	6/30/2020
\$1-2 million	JAMES MCMINN, INC.	RIVERSIDE	5/5/2020
\$1-2 million	JAMES MCMINN, INC.	RIVERSIDE	4/27/2020
\$150,000-350,000	JK ENGINEERING AEROSPACE & DEFENSE	YORBA LINDA	4/14/2020
\$150,000-350,000	JK ENGINEERING AEROSPACE & DEFENSE	YORBA LINDA	6/18/2020
\$350,000-1 million	JLL SOLUTIONS, INC.	SANTA MONICA	4/28/2020
\$350,000-1 million	JLL SOLUTIONS, INC.	SANTA MONICA	5/1/2020
\$350,000-1 million	JMG INVESTMENTS, INC.	WOODLAND HILLS	5/8/2020
\$350,000-1 million	JMG INVESTMENTS, INC.	WOODLAND HILLS	4/30/2020
\$1-2 million	JOHN'S INCREDIBLE PIZZA, INC.	Rancho Santa Margarita	4/15/2020
\$350,000-1 million	JOHN'S INCREDIBLE PIZZA, INC.	Rancho Santa Margarita	4/15/2020
\$350,000-1 million	JOHNS INCREDIBLE PIZZA, INC.	Rancho Santa Margarita	4/15/2020
\$150,000-350,000	JOHNS INCREDIBLE PIZZA, INC.	Rancho Santa Margarita	4/15/2020
\$150,000-350,000	JOHNS INCREDIBLE PIZZA, INC.	Rancho Santa Margarita	4/15/2020
\$150,000-350,000	JOHNS INCREDIBLE PIZZA, INC.	Rancho Santa Margarita	4/15/2020
\$350,000-1 million	JOURNEYMAN CONSTRUCTION	LOS ANGELES	5/28/2020

\$150,000-350,000	JOURNEYMAN CONSTRUCTION	WOODLAND HILLS	6/25/2020
\$150,000-350,000	K9 BALLISTICS, INC.	CAMARILLO	4/28/2020
\$150,000-350,000	K9 BALLISTICS, INC.	CAMARILLO	4/15/2020
\$150,000-350,000	LABEL DADDY PARTNERS, LLC	CHATSWORTH	4/28/2020
\$150,000-350,000	LABEL DADDY PARTNERS, LLC	CHATSWORTH	5/21/2020
\$350,000-1 million	LAND GORILLA, LLC	SAN LUIS OBISPO	6/12/2020
\$350,000-1 million	LAND GORILLA, LLC	SAN LUIS OBISPO	4/14/2020
\$350,000-1 million	LARGE INVESTMENT GROUP, INC.	TUSTIN	6/30/2020
\$350,000-1 million	LARGE INVESTMENT GROUP, INC.	TUSTIN	6/30/2020
\$350,000-1 million	M LIBRUSH CONSTRUCTION, INC	LOS ANGELES	5/3/2020
\$150,000-350,000	M LIBRUSH CONSTRUCTION, INC	LOS ANGELES	5/3/2020
\$350,000-1 million	MAGNUSON PRODUCTS, LLC	VENTURA	4/29/2020
\$350,000-1 million	MAGNUSON PRODUCTS, LLC	VENTURA	4/28/2020
\$150,000-350,000	MH HOMES, LLC	IRVINE	6/27/2020
\$150,000-350,000	MH HOMES, LLC	IRVINE	6/30/2020
\$150,000-350,000	MICRO GROW GREENHOUSE SYSTEMS	TEMECULA	5/3/2020
\$150,000-350,000	MICRO GROW GREENHOUSE SYSTEMS	TEMECULA	6/18/2020

\$350,000-1 million	MICRODYNE PLASTICS, INC.	COLTON	6/23/2020
\$350,000-1 million	MICRODYNE PLASTICS, INC.	COLTON	6/3/2020
\$150,000-350,000	N BHULLAR, INC.	ARCADIA	5/1/2020
\$150,000-350,000	N BHULLAR, INC.	DUARTE	4/30/2020
\$150,000-350,000	NEIGHBORHOOD PHARMACY, INC.	CAMARILLO	5/3/2020
\$150,000-350,000	NEIGHBORHOOD PHARMACY, INC.	CAMARILLO	4/28/2020
\$150,000-350,000	NEW WORLD EMPIRE TRADING, INC.	SHERMAN OAKS	6/22/2020
\$150,000-350,000	NEW WORLD EMPIRE TRADING, INC.	SHERMAN OAKS	6/11/2020
\$350,000-1 million	OC VETERINARY MEDICAL CENTER, INC.	ORANGE	5/3/2020
\$150,000-350,000	OC VETERINARY MEDICAL CENTER, INC.	ORANGE	4/27/2020
\$350,000-1 million	OLA, INC	HUNTINGTON BEACH	4/28/2020
\$150,000-350,000	OLA, INC	SANTA BARBARA	4/28/2020
\$350,000-1 million	OLD MISSION SCHOOL	SAN JUAN CAPISTRANO	4/15/2020
\$150,000-350,000	OLD MISSION SCHOOL	SN LUIS OBISP	6/11/2020
\$150,000-350,000	ORRTEK, INC.	SYLMAR	4/29/2020
\$150,000-350,000	ORRTEK, INC.	SYLMAR	5/3/2020

\$150,000-350,000	OTTIMO RESOURCES, INC.	LOS ANGELES	6/15/2020
\$150,000-350,000	OTTIMO RESOURCES, INC.	LOS ANGELES	6/16/2020
\$150,000-350,000	PACIFIC ANTENNA SYSTEMS	CAMARILLO	5/6/2020
\$150,000-350,000	PACIFIC ANTENNA SYSTEMS	CAMARILLO	4/28/2020
\$1-2 million	PANDA MOTORS, INC.	SANTA ANA	4/13/2020
\$350,000-1 million	PANDA MOTORS, INC.	FULLERTON	4/13/2020
\$150,000-350,000	PIG N WHISTLE, LLC	LOS ANGELES	5/3/2020
\$150,000-350,000	PIG N WHISTLE, LLC	LOS ANGELES	5/3/2020
\$150,000-350,000	POSH MANAGEMENT	VENICE	5/1/2020
\$150,000-350,000	POSH MANAGEMENT	INGLEWOOD	5/3/2020
\$150,000-350,000	POWER1 INTEGRATED, INC.	BEVERLY HILLS	6/29/2020
\$150,000-350,000	POWER1 INTEGRATED, INC.	BEVERLY HILLS	6/30/2020
\$350,000-1 million	PROMAX INTERNATIONAL / BPME	LOS ANGELES	4/29/2020
\$350,000-1 million	PROMAX INTERNATIONAL / BPME	LOS ANGELES	4/28/2020
\$150,000-350,000	RADEGY, INC.	NORTH HOLLYWOOD	5/5/2020
\$150,000-350,000	RADEGY, INC.	LOS ANGELES	5/3/2020

\$150,000-350,000	RESERVE DIVERSIFIED, INC.	PERRIS	6/30/2020
\$150,000-350,000	RESERVE DIVERSIFIED, INC.	PERRIS	5/3/2020
\$1-2 million	RNC CAPITAL MANAGEMENT, LLC	LOS ANGELES	5/3/2020
\$1-2 million	RNC CAPITAL MANAGEMENT, LLC	LOS ANGELES	4/14/2020
\$150,000-350,000	SHAZOH, INC.	RIVERSIDE	5/8/2020
\$150,000-350,000	SHAZOH, INC.	TRABUCO CANYON	6/26/2020
\$150,000-350,000	SIOUX TRUCKING, INC.	SANTA ROSA VALLEY	5/1/2020
\$150,000-350,000	SIOUX TRUCKING, INC.	SANTA ROSA VALLEY	5/3/2020
\$1-2 million	SO CAL PF, LLC	CARSON	5/3/2020
\$150,000-350,000	SO CAL PF, LLC	INGLEWOOD	5/3/2020
\$150,000-350,000	SOCIALWISE, INC.	IRVINE	4/28/2020
\$150,000-350,000	SOCIALWISE, INC.	IRVINE	4/16/2020
\$150,000-350,000	Southern California Medical Group	GLENDALE	4/16/2020
\$150,000-350,000	Southern California Medical Group	LOS ANGELES	4/30/2020
\$2-5 million	SOUTHWESTERN INDUSTRIES, INC.	RANCHO DOMINGUEZ	4/27/2020
\$2-5 million	SOUTHWESTERN INDUSTRIES, INC.	RANCHO DOMINGUEZ	4/27/2020
\$150,000-350,000	SPYDERBUILT	HERMOSA BEACH	4/27/2020
\$150,000-350,000	SPYDERBUILT	HERMOSA BEACH	4/27/2020

\$150,000-350,000	ST. ALOYSIUS GONZAGA SCHOOL	LOS ANGELES	4/29/2020
\$150,000-350,000	ST. ALOYSIUS GONZAGA SCHOOL	LOS ANGELES	4/30/2020
\$1-2 million	STAR ELECTRIC, INC.	FULLERTON	5/4/2020
\$1-2 million	STAR ELECTRIC, INC.	FULLERTON	6/30/2020
\$150,000-350,000	SUNSET SLEEP LABS, LLC	SIMI VALLEY	4/28/2020
\$150,000-350,000	SUNSET SLEEP LABS, LLC	SIMI VALLEY	5/1/2020
\$350,000-1 million	SUPERIOR ENTERPRISES, LLC	GLENDALE	5/12/2020
\$150,000-350,000	SUPERIOR ENTERPRISES, LLC	GLENDALE	5/14/2020
\$150,000-350,000	SWINDEMAN TRADING, LLC	HUNTINGTON BEACH	4/30/2020
\$150,000-350,000	SWINDEMAN TRADING, LLC	HUNTINGTON BEACH	6/29/2020
\$150,000-350,000	THE LITTLE MARKET, INC.	SANTA ANA	4/30/2020
\$150,000-350,000	THE LITTLE MARKET, INC.	CAYUCOS	5/2/2020
\$150,000-350,000	TOMNATCO, INC.	CORONA	4/28/2020
\$150,000-350,000	TOMNATCO, INC.	CORONA	5/3/2020
\$150,000-350,000	UNITED GLOBAL NEWS	BEVERLY HILLS	6/28/2020
\$150,000-350,000	UNITED GLOBAL NEWS	BEVERLY HILLS	6/30/2020
\$350,000-1 million	VAYSFELD STUDIOUS, LLC	WOODLAND HILLS	6/28/2020

\$350,000-1 million	VAYSFELD STUDIOUS, LLC	WOODLAND HILLS	6/29/2020
\$150,000-350,000	WEST COAST CHASSIS	WESTLAKE VILLAGE	5/27/2020
\$150,000-350,000	WEST COAST CHASSIS	THOUSAND OAKS	6/16/2020
\$150,000-350,000	WEST COAST CHASSIS	WESTLAKE VILLAGE	6/30/2020
\$350,000-1 million	WILLIAM B, LLC	SHERMAN OAKS	4/10/2020
\$150,000-350,000	WILLIAM B, LLC	SHERMAN OAKS	5/3/2020
\$350,000-1 million	WOODCREST SCHOOLS, INC.	TARZANA	4/29/2020
\$350,000-1 million	WOODCREST SCHOOLS, INC.	TARZANA	4/15/2020
\$150,000-350,000	WOODLAND HILLS FIREPLACE SHOP	WOODLAND HLS	4/15/2020
\$150,000-350,000	WOODLAND HILLS FIREPLACE SHOP	WOODLAND HILLS	4/30/2020

12. According to the PPP application discussed below, owners of Defendants include partners or members owning 20% or more equity in the company. Upon information and belief, and after further discovery in this matter, Relator anticipates he will need to amend this Complaint to add in such owners or representatives as co-defendants if they were complicit in the fraudulent misrepresentations listed herein.

1 **JURISDICTION AND VENUE**

2 13. This Court has jurisdiction over the subject matter of this action
3 pursuant to 28 U.S.C. § 1331 and 31 U.S.C. § 3732, the latter of which specifically
4 confers jurisdiction on this Court for actions brought pursuant to 31 U.S.C. §§
5 3729 and 3730. Although this issue is no longer jurisdictional after the 2009
6 amendments to the FCA, to Realtor's knowledge there has been no statutorily
7 relevant public disclosure of the "allegations or transactions" in this Complaint, as
8 those concepts are used in 31 U.S.C. § 3730(e), as amended by Pub. L. No. 111-
9 148, § 10104(j)(2), 124 Stat. 119, 901-02.

10 14. Moreover, whether or not such a disclosure has occurred, Relator
11 would qualify as an "original source" of the information on which the allegations
12 or transactions in this Complaint are based. Plaintiff researched and discovered
13 through a records request the pertinent dates of formation and other related entity
14 information of each Defendant.

15 15. This Court has personal jurisdiction over Defendants pursuant to 31
16 U.S.C. § 3732(a) because that section authorizes nationwide service of process and
17 because Defendants are California entities.

18 16. Venue is proper in the Central District of California pursuant to 28
19 U.S.C. § 1391(b)-(c) and 31 U.S.C. § 3732(a) because Defendants can be found in
20 and/or transacted business in this district, and because violations of 31 U.S.C. §§

1 3729 *et seq.* alleged herein occurred within this district. At all times relevant to this
2 Complaint, Defendants regularly conducted substantial business within this
3 district.

4 **THE PAYCHECK PROTECTION PROGRAM**

5 17. Congress added sections 1102 and 1106 of the Coronavirus Aid,
6 Relief, and Economic Security Act (“**CARES Act**”). Section 1102 contains a new
7 program called the Paycheck Protection Program (“**PPP**”) and is party of the U.S.
8 Small Business Administration’s (“**SBA**”) 7(a) Loan Program. These two sections
9 are intended to provide economic relief to small businesses nationwide adversely
10 impacted by the coronavirus pandemic and the COVID-19 Emergency Declaration
11 issued by President Trump on March 13, 2020.

12 18. Due to the COVID-19 emergency, many small businesses nationwide
13 are experiencing economic hardship as a direct result of the Federal, State, and
14 local public health measures that are being taken to minimize the public’s exposure
15 to the coronavirus.

16 19. The SBA received funding and authority through the CARES Act to
17 modify existing loan programs and establish the new PPP loan program to assist
18 small businesses nationwide adversely impacted by the coronavirus pandemic.

19 20. Section 1102 of the Act temporarily permits SBA to guarantee 100%
20 of 7(a) loans under the PPP. Section 1106 of the CARES Act provides for

1 forgiveness of up to the full principal amount of qualifying loans guaranteed under
2 the PPP.

3 21. The CARES Act was intended to provide relief to America's small
4 businesses expeditiously.

5 22. The CARES Act gives lenders delegated authority to process loan
6 applications for PPP funding. SBA allowed lenders to rely on certifications of the
7 borrowers in order to determine eligibility of the borrower and use of loan
8 proceeds, and to rely on specified documents provided by the borrower to
9 determine qualifying loan amount, and eligibility for loan forgiveness. Lenders are
10 held harmless for borrowers' failures to comply with PPP rules.

11 23. Borrowers had to submit documentation necessary to establish
12 eligibility such as payroll processor records, payroll tax filings, form 1099s,
13 income and expenses documentation.

14 24. In general, Borrowers calculated an amount to borrow by aggregating
15 payroll costs from the previous 12 months for employees whose principal place of
16 residence is the United States. Annual employee salaries are capped at \$100,000.
17 The borrower then calculated the average monthly payroll cost and multiplied that
18 amount by a factor of 2.5.

1 25. One certification on the Application states, “Current economic
2 uncertainty makes this loan request necessary to support the ongoing operations of
3 the Applicant.”

4 26. Each Defendant certified on their PPP applications that “[d]uring the
5 period beginning on February 15, 2020 and ending on December 31, 2020, the
6 Applicant has not and will not receive another loan under the Paycheck Protection
7 Program.”

8 27. Defendants also “further certify that the information provided in this
9 application and the information provided in all supporting documents and forms is
10 true and accurate in all material respects.”

11 28. Finally, all Defendants certified that they “understand that knowingly
12 making a false statement to obtain a guaranteed loan from SBA is punishable under
13 the law, including under 18 USC 1001 and 3571 by imprisonment of not more than
14 five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of
15 not more than two years and/or a fine of not more than \$5,000; and, if submitted to
16 a federally insured institution, under 18 USC 1014 by imprisonment of not more
17 than thirty years and/or a fine of not more than \$1,000,000.”

ALLEGATIONS

29. According to the Small Business Administration (SBA), California-based entities who applied for and received at least \$150,000 in PPP funds totaled approximately 87,691.

30. Plaintiff reviewed and analyzed data from the SBA to identify California-based entities who applied more than once for PPP funds. Plaintiff then cross-checked that data with the California Secretary of State's website to confirm various data points and information and fully identify entities who unlawfully applied more than once for PPP funds. The result was the above-named Defendants for this federal district of California.

31. Defendants each certified on their PPP applications that "[d]uring the period beginning on February 15, 2020 and ending on December 31, 2020, the Applicant has not and will not receive another loan under the Paycheck Protection Program."

32. Defendants thus made material misrepresentations on their applications for PPP funds, knowing lenders and the Federal Government would rely on said representations in paying PPP funds to Defendants.

33. Relator reserves the right to amend this Complaint and expand these allegations upon review of the actual applications and supporting documentation submitted by Defendants.

False Claims Act

31 U.S.C. § 3729(a)(1)(A)-(B)

34. Relator realleges and incorporates by reference the allegations contained in the foregoing paragraphs as though fully set forth herein.

35. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729, *et seq.*, as amended.

36. By virtue of the acts described above, Defendants knowingly presented or caused to be presented, false or fraudulent claims to the United States Government, or authorized agent of the United States Government, for payment or approval.

37. By virtue of the acts described above, Defendants knowingly made or used, or caused to be made or used, false or fraudulent records or statements material to false or fraudulent claims for payment by the Government.

38. Relator cannot at this time identify all of the false claims for payment that were caused by Defendants' conduct. The false claims were presented to third party lending institutions. Relator does not have access to the records of all such false or fraudulent statements or claims.

39. Lenders, acting on behalf of the Federal Government, were guaranteed 100% of the PPP loans. Said lenders were unaware of the falsity of the

1 records, statements, and claims made or caused to be made by Defendants. Said
2 lenders paid the claims that would not be paid but for Defendants' illegal conduct.

3 40. By reason of Defendants' acts, the United States has been damaged,
4 and continues to be damaged, in a substantial amount to be determined at trial.

5 41. Additionally, the United States is entitled to the maximum penalty of
6 up to \$11,000 for each and every violation arising from Defendants' unlawful
7 conduct alleged herein.

8 **PRAYER**

9 WHEREFORE, *qui tam* Plaintiff/Relator prays for judgment against each
10 Defendant as follows:

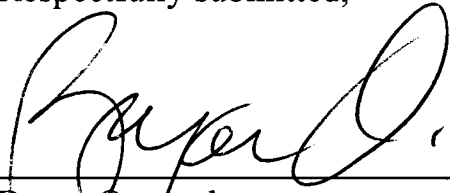
- 11 1. That this Court enter judgment against each Defendant in an amount
12 equal to three times the damages the United States has sustained because
13 of Defendant's actions, plus a civil penalty of not less than \$5,500 and
14 not more than \$11,000 for each violation of 31 U.S.C. § 3729;
 - 15 2. That Relator be awarded the maximum amount allowed pursuant to 31
16 U.S.C. § 3730(d);
 - 17 3. That Relator be awarded all costs of this action, including attorney's fees
18 and expenses; and
 - 19 4. That Relator recover such other relief as the Court deems just and proper.
- 20

1 **DEMAND FOR JURY TRIAL**

2 Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Relator hereby
3 demands a trial by jury.

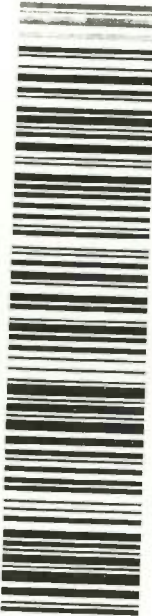
Dated: 9/7/2020

Respectfully submitted,



Bryan Quesenberry
Plaintiff/Relator

Quesentberry
903 E. 430 S.
Salem, UT 84653

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Central District of California
Office of The Clerk of Court
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