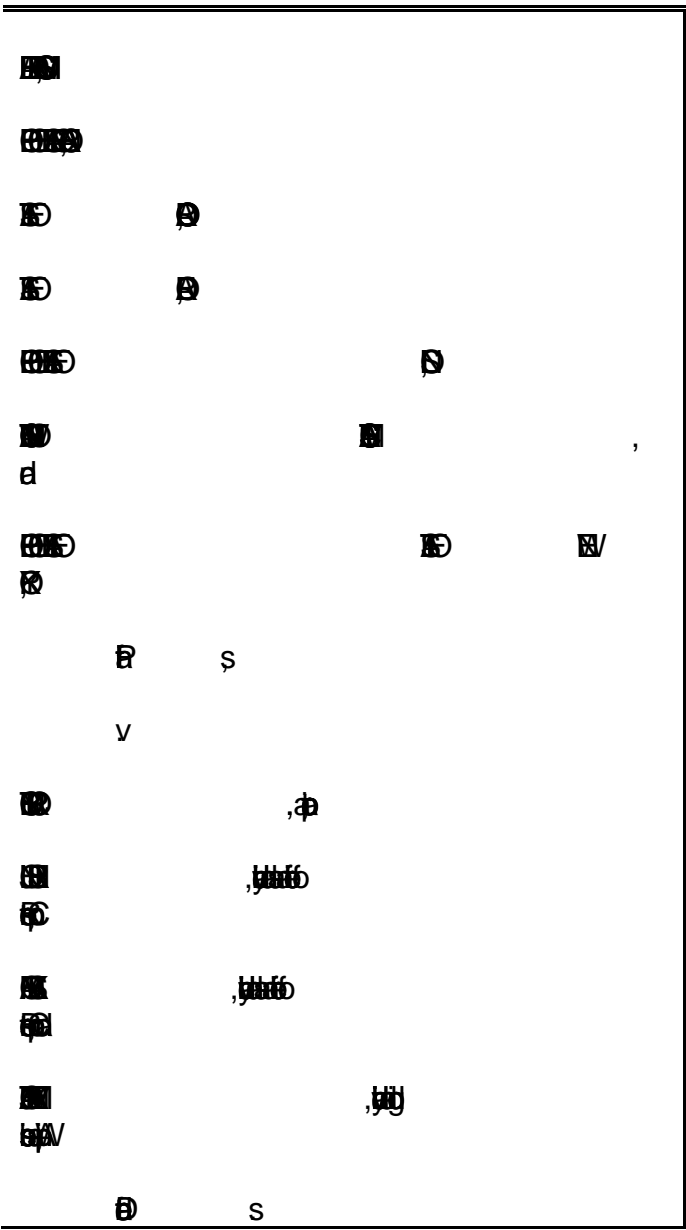


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14. The Commonwealth of Massachusetts brings this action by and through Attorney General Maura Healey, who is authorized by Mass. Gen. Laws ch. 12, §10 and Mass. Gen. Laws ch. 93A, §4 to commence this legal action in the public interest. The Massachusetts Attorney General enforces the Massachusetts Consumer Protection Act, Mass. Gen. Laws ch. 93A, §2 and 4, and the regulations promulgated thereunder, which prohibit unfair or deceptive acts or practices in trade or business, and which authorize the Massachusetts Attorney General to seek civil penalties, injunctive relief, restitution, attorneys' costs, and any other equitable relief deemed appropriate. In accordance with Mass. Gen. Laws ch. 93A, §4, the Commonwealth of Massachusetts provided the statutorily required notice to Defendants more than five days prior to commencing this action.

15. The People of the State of New York ("State of New York") bring this action by and through Attorney General Leticia James under N.Y. Executive Law §3(12), which authorizes the New York Attorney General ("NYAG") to seek, and the Court to order, permanent injunctive relief, restitution, damages, and disgorgement against any person or business which has engaged in any repeated or persistent fraud or illegal activity in the conduct of its business, and N.Y. General Business Law ("GBL") Article 22-A, which authorizes the NYAG to seek, and the Court to order, permanent injunctive relief, restitution, and civil penalties for deceptive acts or practices and false advertising under N.Y. GBL §50, and for such order to provide for nationwide restitution where the business is located in the State of New York as is the case in this action. In accordance with GBL §49(c) and 350-c, the State of New York provided the statutorily required notice to Defendants.

DEFENDANTS

6 D [REDACTED] [REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]

7 D [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

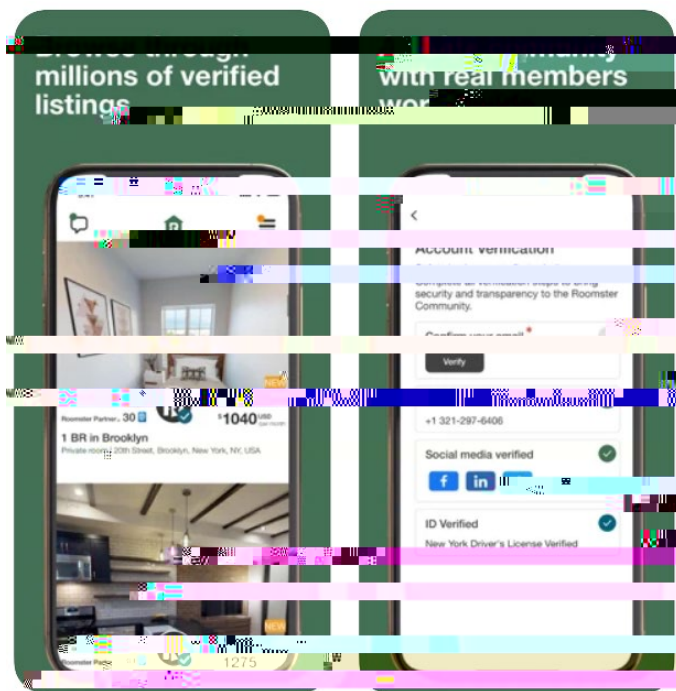
[REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

and yes...authentic.”

24. Similarly, until they received notice of this investigation, the Roomster Defendants claimed their mobile device applications have “millions of verified listings” in a “safe community with real members worldwide



25. In reality, the Roomster Defendants do not verify listings or ensure that their listings are real or authentic. The Roomster Defendants post listings on their Roomster platform immediately upon request, as long as the street address associated with the listing is recognized by the platform. The Roomster Defendants do not determine whether their listings are authentic and, despite purporting to offer only residential listings, do not verify whether the listed address is residential or commercial.

26. For example, an undercover investigation shows that the Roomster Defendants

32. For over four years, the Rooms Defendants engaged in what Defendant Martinez referred to as

each country. For example, in one email alone, the Roomster Defendants directed Defendant Martinez as follows:

Total number of reviews for iTunes platform shouldn't exceed [sic]
50 per day.

Please, post a random number of reviews between 18 - 30
US market - 500

500 for markets from this list

random number of reviews between 4 - 10:

Australia - 50

Norway - 50

random number of reviews between 1 - 8:

Austria - 20

Belgium - 20

Bulgaria - 20

Croatia - 20

Czech Republic - 20

Denmark - 20

Estonia - 20

Finland - 20

France - 20

Germany - 20

Greece - 20

Hungary - 20

Ireland - 20

Italy - 20

Latvia - 20

Lithuania - 20

Luxembourg - 20

Macedonia - 20

Moldova - 20

Netherlands - 20

38. Even after receiving notice of the FTC's investigation, the Roomster Defendants continued to instruct that reviews post in random amounts in order to appear natural, at one point emailing Defendant Martinez:

Just as a reminder, please make sure it's always a random number of reviews, so it looks more natural.

39. Examples of 5-star reviews that the Roomster Defendants bought include:

- a. Wonderful!
Roomster is better than others. Very easy to use. Tons of listing. No scammers, all users are real. Easy to communicate with owners. In a single word FANTASTIC!
- b. Awesome!
I found Roomster very useful for students who are searching for a place to live or friends to live with. It gives reasonable price, a lot of useful suggestions.
- c. Roomster is great!
Especially for low-income people who need rented accom[m]odation or those students who need to rent a room because [i]t provides the service with a reasonable price range period.
- d. like!
I'm a student with a small budget, so I love going through Roomster for sharing my room. It makes finding roommates faster and more efficient. Roomster is a good choice for me!
- e. Awesome!
Roomster helps me save time and[] is a trusted name for me to post & search for accommodations around the world with other like minded individuals.
- f. Fantastic!!!!
Roomster is easy to find roommates and apartments. All are shown obviously on the map. Secure and easier to be able to chat with your roommates.
- g. Fantastic!!!
I found a ton of verified listings in Roomster. It is easy for everyone to find a great roommate.
- h. Love it!
Everyone should use Roomster for finding roommates. I did & it worked great. Being able to click through to people's Facebook is such a good idea.

- i. God job guys!
I personally enjoyed using Roomster. I got all the help required from the[m] and also the genuine chat.
 - j. Incredibly useful!
Needed a roommate to share my place. Download Roomster. Got some great leads right away.
 - k. Excellent!
Good job ..lots of users ...very useful to find genuine users ..no time wastage with brokers. Excellent!
 - l. So useful!
Roomster is really excellent. Best app for finding rooms & roommates shortly. So useful & very fast.
40. The reviews in Paragraph 39 were fabricated.
41. The sheer volume of the Roomster Defendants' fake reviews dilutes s

and never had issue with them. They really need to change this website ASAP. I bet all of these 5 star reviews are all fake. How many people I know they all say the same about this website.

d. Scams

This site is full of scams. I have been contacted by multiple people on this app saying they can't show me the room because they're out of town but that I should send them the deposit and they'll send me the key. It's the same storyline every time. They also have bugs on Craigslist. There are listings on Craigslist that I email n they email back telling me to sign up for roomies [Roomster] and nothing else. A very disappointing app

e. too bad

most information are fake, administrator dont have any rules to prevent this issue. after i request renting from someone, she/he ask me for giftcard payment. ridiculous!!!

f. Fake Scam Beware!

This app charges you 7.95 then 24.95 then another 24.95. There's absolutely no rooms. They are all scams! They don't message back and refuse to give you your money back. I can't believe this app is allowed. Please Do Not Download it! They lie, cheat and steal your \$ with no return.

g. Rip Off

This site is full of fake ads to get you to pay \$7.99 per week. They lure you in on Craigslist with an enticing ad and the only way to communicate is to sign up and pay. Funny thing is, they never answer. :((

h. You thought !

Worst app ever tons of scam artists it's a fake app do not waste your money do not contact anyone it is a scam app people will try and hack your phone do not buy this app or download it beware

i. Scam

This app is garbage. I had higher hopes but it completely let me down. Every profile on here seems to be a fake profile and every message I got from people said almost exactly the same thing. Not worth it.

42. To further induce consumers to pay for their Roomster platform, the Roomster Defendants, either directly or through their affiliates, bait the internet with advertisements for fake listings, including on Craigslist. Through these fake listings, consumers are directed to Defendants' platform and encouraged to sign up and pay a fee to obtain information necessary to secure the rental. Consumers who sign up soon learn that the listings that drove them to the Roomster Defendants' platform do not exist.

43. In addition, consumers are soon bombarded by fraudsters with more fake listings and are asked to pay hundreds or thousands of dollars to secure a rental, sight unseen, often under the guise that COVID-19 prevents the lister from showing the property.

44. The Roomster Defendants have taken in excess of \$27 million from consumers, many of whom can least afford to lose money. According to Defendant Zaks, "a Roomster customer is an individual in the lowest end of the rental market, they generally have limited funds, and every dollar counts." Similarly, according to Defendant Shriber, the Roomster Defendants "are servicing the most affordable end of the [r]eal estate market. Searching for housing is stressful in all price points, but for Roomster customers an

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Count II
Misrepresentations that Listings Are Verified, Authentic, or Available
(Against the Roomster Defendants)

50. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of services related to living arrangement listings, the Roomster Defendants, directly or through affiliates acting on their behalf and for their benefit, have represented, directly or indirectly, expressly or by implication, that the listings on their Roomster platform are verified, authentic, or available.

51. The representations set forth in Paragraph 50 are false or misleading or were not substantiated at the time the representations were made.

52. Therefore, the making of the representations as set forth in Paragraph 50 constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. §

45(a). **P1-32 (02 -2.3 e(in)2 (fv)2 (io)t1 (t)- (p88) S (02tv)2 (ioa (act)-613 e(in)2 (fv)1N)-0.0ew-0.00Y (a)4(la)**

Count V

e) The Roomster Defendants have violated the California Consumer Legal Remedies Act, California Civil Code § 1770(9), by advertising goods or services with intent not to sell them as advertised.

Count VII

**Violations of the Colorado Consumer Protection Act (CCPA)
(Knowingly or recklessly making a false representation as to the source, sponsorship, approval, or certification of goods, services, or property, C.R.S. § 6-1-105(1)(b))
(By Plaintiff State of Colorado Against the Roomster Defendants)**

61. Plaintiff State of Colorado incorporates herein by reference all allegations set forth above.

62. In the course of their business or occupation, the Roomster Defendants violated, and may continue to violate, the CCPA by knowingly or recklessly making false representations in advertisements and other communications.

63. The Roomster Defendants' false or misleading statements as to the certification of goods, services, or property include, but are not limited to:

- a) falsely representing that certain reviews of the Roomster platform were truthful reviews by actual users when those reviews were not truthful reviews by actual users of the Roomster platform;
- b) falsely representing that certain listings on the Roomster platform are verified, authentic, or available.

64. The Roomster Defendants' false and misleading acts and practices had a significant public impact.

Count VIII

**Violations of the Colorado Consumer Protection Act (CCPA)
(Knowingly or recklessly making false representations as to affiliation, connection, or
association with or certification by another, C.R.S. § 6-1-105(1)(c))
(By Plaintiff State of Colorado Against All Defendants)**

65. Plaintiff State of Colorado incorporates herein by reference all allegations set forth above.

66. In the course of their business or occupation, Defendants violated, and may continue to violate, the CCPA by knowingly or recklessly making false representations in advertisements and other communications regarding the source of certain consumer reviews for the Roomster platform and the affiliation, connection, association, or certification of those reviews with or by real consumers of the Roomster platform.

67. Defendants' false or misleading statements include, but are not limited to, falsely representing that those reviews were truthful reviews by actual users of the Roomster platform when those reviews were not truthful reviews by actual users of the Roomster platform.

68. Defendants' false and misleading acts and practices had a significant public impact.

Count IX

**Violations of the Colorado Consumer Protection Act (CCPA)
(Knowingly or recklessly engaging in any unfair, unconscionable, deceptive, deliberately
misleading, false, or fraudulent act or practice, C.R.S. § 6-1-105(1)(kkk)¹)
(By Plaintiff State of Colorado against the Roomster Defendants)**

69. Plaintiff State of Colorado incorporates herein by reference all allegations set forth above.

¹ Effective October 1, 2022, C.R.S. § 6-1-105(1)(kkk) will be recodified to C.R.S. 6-1-105(1)(rrr). Colo. Gen. Assembly HB 22-1287, § 27 (May 26, 2022). The statute's language will not change.

70. In the course of their business or occupation, the Roomster Defendants violated, and may continue to violate the CCPA by knowingly or recklessly making false representations in advertisements and other communications.

71. The Roomster Defendants' deliberately misleading, false, or fraudulent acts or practices include, but are not limited to:

- a) falsely representing that certain reviews of the Roomster platform were truthful reviews by actual users when those reviews were not truthful reviews by actual users of the Roomster platform;
- b) falsely representing that the listing on the Roomster platform are verified, authentic, or available.

Countg X

of any trade or commerce, however denominated, including any nonprofit or not-for-profit person or activity.”

75. Through the means described above, Defendants have represented, directly or indirectly, expressly or by implication, that certain reviews of the Roomster platform were truthful reviews by actual users of the Roomster Defendants’ services.

76. In truth and in fact, in numerous instances in which the Defendants have made the representations set forth in Paragraph 75 of this Complaint, the reviews of the Roomster platform were not truthful reviews by actual users of the platform, but instead were fabricated by one or more third parties who were paid to generate reviews.

77. Therefore, the making of the representations as set forth in Paragraph 75 of this Complaint constitutes a deceptive act or practice and the making of false advertisements, in or affecting commerce in violation of Section 501.204(1), Florida Statutes.

78. Shriber, Zaks, and Martinez are personally liable for the unlawful acts and practices described above, as Shriber, Zaks, and Martinez have the authority and power to control or direct the conduct at issue herein and/or actually participated in and directed the conduct at issue herein.

Count XI
Violations of the Florida Deceptive and Unfair Trade Practices Act (FDUTPA)
(Misrepresentations that Listings Are Verified, Authentic, or Available)
(By Plaintiff State of Florida Against the Roomster Defendants)

79. As set forth in Paragraphs 1 through 46 above, which allegations are incorporated as if set forth herein, in the course of the Roomster Defendants’ trade or commerce, the Roomster Defendants have committed acts and practices that are unfair or deceptive in violation of FDUTPA.

80. Section 501.204(1), Florida Statutes, declares that “unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.”

81. Section 501.203(8), Florida Statutes, defines “trade or commerce” as “the advertising, soliciting, providing, offering, or distributing, whether by sale, rental, or otherwise, of any good or service, or any property, whether tangible or intangible, or any other article, commodity, or thing of value, wherever situated. “Trade or commerce” shall include the conduct of any trade or commerce, however denominated, including any nonprofit or not-for-profit person or activity.”

82. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of services related to living arrangement listings, the Roomster Defendants, directly or through affiliates acting on their behalf and for their benefit, have represented, directly or indirectly, expressly or by implication, that the listings on their Roomster platform are verified, authentic, or available.

83. The representations set forth in Paragraph 82 are false or misleading or were not substantiated at the time the representations were made.

84. Therefore, the making of the representations as set forth in Paragraph 82 constitutes a deceptive act or practice in violation of Section 501.204(1), Florida Statutes.

85. Shriber and Zaks are personally liable for the unlawful acts and practices of Roomster, as Shriber and Zaks have the authority and power to control or direct the conduct at issue herein and/or actually participated in and directed the conduct at issue herein.

Count XII
Violations of the Illinois Consumer Fraud and Deceptive Business Practices Act
(Misrepresentations)
(By Plaintiff State of Illinois Against All Defendants)

86. Plaintiff State of Illinois alleges and incorporates by reference paragraphs 1 through 46 above as though fullIaIf 715.083ul2 (hou)2(pa)-6-4 4 (nc)-6 nco.EMC /Lbl A/CID 2 BD4 0.002 s t8

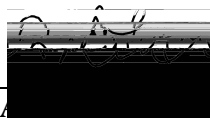
Count XIV

- 4) Pursuant to Section 501.2075, Florida Statutes, award the State of Florida civil penalties

Respectfully submitted,

FOR THE FEDERAL TRADE COMMISSION:

Dated: 8/30/22



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FEDERAL TRADE COMMISSION

FOR THE STATE OF CO

Dated: August 30, 2022

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Attorney General
Commonwealth of Massachusetts

[Signature]
Michael S. Line (MIST 11)
Attorney General

October 10, 2008

10-10-08

FOR THE PEOPLE OF THE STATE OF NEW YORK:

Dated: _____

LETITIA JAMES
Attorney General of the State of New York

4.FMWJO-(PMECFSH)

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