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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF OREGON
PORTLAND DIVISION

JORDEN HOLLINGSWORTH,

Case No. 3:25-cv-2308-SB

Plaintiff,

v.

SANOFI-AVENTIS US LLC; CHATTEM INC.; QUTEN RESEARCH INSTITUTE LLC; AMJ SERVICES LLC; STEVEN S. DICKERT, in his capacity as Trustee of BASIL MANAGEMENT TRUST
Defendants.

PLAINTIFF'S CONSOLIDATED OPPOSITION TO DEFENDANTS' MOTIONS TO DISMISS, MOTION TO STRIKE, AND MOTION TO COMPEL ARBITRATION

Plaintiff submits this consolidated opposition to (1) the Motion to Dismiss filed by Defendants Sanofi-Aventis U.S. LLC, Chattem, Inc., and Quten Research Institute, LLC (ECF No. 27), and (2) the Motion to Dismiss, Motion to Strike, and Motion to Compel Arbitration filed by Defendants AMJ Services LLC and Steven S. Dickert as Trustee of Basil Management Trust. (ECF No. 14).

I. INTRODUCTION

This is not a routine wage dispute. It challenges whether an enterprise may designate a shell entity as the employer-of-record—while operational control, payroll authority, and economic benefit reside elsewhere—and then invoke corporate separateness and arbitration doctrine to shield that structure from judicial review.

Defendants frame this as a simple dispute over penalty wages governed by an arbitration clause. That framing misses the core issue. The Complaint alleges a structural allocation:

enterprise assets and revenue were centralized upstream among multinational pharmaceutical companies, while workforce liability was confined downstream to DRVM LLC—an entity administratively revoked, lacking independent operational substance, and without lawful authority to transact business in Oregon at the time of Plaintiff's employment. (Compl. ¶¶ 40-43).

Employer identity is not a technicality. It determines wage liability, arbitration enforcement, and accountability in whistleblower proceedings. Wage statutes and federal whistleblower protections presuppose a real employer capable of producing records and implementing relief. If the entity confined to arbitration lacks independent authority over payroll and management, meaningful enforcement is impaired. (Hollingsworth Decl. Ex. 33).

The allegations implicate constitutional principles. The First Amendment protects reporting suspected misconduct. The Seventh Amendment preserves jury access absent valid consent to arbitration. Due Process guarantees a meaningful hearing before a tribunal capable of granting effective relief. Where employer identity itself is plausibly alleged to have been misrepresented, compelled arbitration cannot be presumed valid.

Defendants rely on declarations to assert operational separateness. The Opposition cites public filings, registration records, and entity transfers that contradict those assertions. (Ex. A, Tables 1-3; Ex. 1-34). At the Rule 12 stage, factual conflicts must be resolved in Plaintiff's favor. *Schwarzenegger v. Fred Martin Motor Co., 374 F.3d 797, 800 (9th Cir. 2004).*

The Complaint plausibly alleges fraud, integrated enterprise control, and inequitable liability allocation. The motions should be denied.

II. FACTUAL BACKGROUND

A. Plaintiff's Employment and DRVM's Revoked Status

1. On October 15, 2024, Plaintiff Jorden Hollingsworth was hired as a W-2 product demonstrator assigned to Costco warehouses in Oregon. His paystubs and employment

documents identify his nominal employer as DRVM LLC. (Compl. ¶¶ 14, 23, 39. Ex. E). That same day, as a condition of employment, Plaintiff executed an arbitration agreement identifying DRVM LLC as his employer. (Compl. ¶ 48).

2. Public records reflect that DRVM LLC had been administratively revoked by the Oregon Secretary of State as of January 4, 2024—more than nine months before Plaintiff's hiring—and lacked authority to transact business in Oregon. (Compl. ¶¶ 40, 43; Compl. Ex. C; Hollingsworth Decl. Ex. 20).[1]DRVM's registration remained revoked throughout Plaintiff's employment and was not reinstated until April 25, 2025, at which point it was moved under Basil Management Trust. (Compl. ¶¶ 43, 113; Compl. Ex. C; Dickert Decl. ¶¶ 3-4).
3. Oregon records list Maged Boutros as DRVM's managing member and identify its principal place of business as 411 E. Bonneville Ave., Las Vegas, Nevada—the same address appearing on Plaintiff's paystub. (Compl. ¶¶ 39, 41; Compl. Ex. C; Ex. E). DRVM's Oregon registration listed Vilma Veras as registered agent at a Hillsboro residential address. (Compl. ¶ 42; Compl. Ex. C). Public records reflect Veras is an employee of AMJ Services LLC in New Jersey. (Hollingsworth Decl. Ex. 23). Publicly available online sources further associate the Hillsboro address with Shiela Klein, a long-time regional manager, whose LinkedIn profile identifies her as a MK Marketing employee. (Hollingsworth Decl. Ex. 24).
4. Public filings further reflect that DRVM LLC, DRC Demo LLC, AMJ Services LLC, and MK Marketing LLC were not registered in numerous states where product demonstrators operated inside Costco warehouses. (Compl. ¶ 106; Ex. A, Table 1).

[1] Plaintiff attaches 34 exhibits. The exhibits consist of public records subject to judicial notice, documents incorporated by reference in the Complaint, and evidence submitted in response to Defendants' factual challenges to standing and jurisdiction under Rules 12(b)(1) and 12(b)(2). They are organized, cited, and necessary for the Court's resolution of the pending motions.

5. Beginning January 10, 2025—the same date Plaintiff's written wage deadline expired—DRVM initiated first-time registrations (not reinstatements) in over thirty states. (Compl. ¶¶ 107–110; Ex. A, Table 1). Idaho filings dated January 13, 2025 reflect registration under Basil Management Trust, signed by Trustee Steven S. Dickert. (Hollingsworth Decl. Ex. 16). Additional state registrations followed in waves after Plaintiff's February arbitration filings and April whistleblower submissions. (Compl. ¶¶ 109–113; Ex. A, Table 1).

B. Formation and Management of Related Entities

6. Public records reflect that MK Marketing LLC—an entity operationally connected to the workforce—was registered in Nevada on March 3, 2012, with managing members Ashraf Peter Boutros and Maged Boutros. (Compl. ¶¶ 50, 53, 80; Hollingsworth Decl. Ex. 11). Ashraf Boutros co-founded Quten Research Institute in 2006. A public LinkedIn profile for Maged Boutros (aka "Mike Boutros") reflects a "sales and marketing" role with Quten dating to 2009. (Compl. ¶ 63; Hollingsworth Decl. Ex. 26).
7. The Oregon filings for DRVM and AMJ Services list Maged Boutros as managing member and identify 411 E. Bonneville Ave., Las Vegas, Nevada as the principal place of business. (Compl. ¶ 41; Compl. Ex. C; Hollingsworth Decl. Ex. 17).

C. Intellectual Property Transfers in 2024

8. Public filings reflect that multiple intellectual property-holding entities associated with the Qunol product line were transferred into the Sanofi/Chattem corporate structure in 2024. (Compl. ¶¶ 96-100; Ex. A, Table 3; Hollingsworth Decl. Ex. 1-9).
9. On July 19, 2024, five entities—including MK WW Enterprises LLC (Hollingsworth Decl. Ex. 1), MAK Media LLC (Id. Ex. 2), MAK Nutrition LLC (Id. Ex. 3), QUCOM LLC (Id. Ex.

8), and QNB LLC (Id. Ex. 5)—were transferred into QRIB Intermediate Holdings and Chattem Inc. structures. (Compl. ¶ 98).

10. On September 9, 2024, QNBH Enterprises (Hollingsworth Decl. Ex. 6) was transferred to Chattem Inc., utilizing Sanofi's headquarters address. One week later, on September 16, 2024, TPD IP LLC (Id. Ex. 9) was transferred to Chattem Inc.

11. On October 16, 2024—less than 24 hours after Plaintiff began employment—management of QPD IP LLC (Hollingsworth Decl. Ex. 7) was transferred to Chattem, Inc., utilizing Sanofi's headquarters at 55 Corporate Drive, Bridgewater, New Jersey. (Compl. ¶ 57). Thus, at least seven entity transfers occurred in the months immediately prior to Plaintiff's employment, with one significant transfer during his first 24 hours. (Ex. A, Table 3; Ex. 1-9).

D. The 411 E. Bonneville Address as Operational Hub

12. Multiple entities list 411 E. Bonneville Ave., Las Vegas, Nevada as their principal place of business or registered office. This address appears on Plaintiff's paystub and functions as a hub for interrelated companies. (Compl. ¶¶ 39, 51, 65-67; Ex. E; Ex. A, Table 2).

13. Entities listing this address include DRVM LLC, DRC Demo LLC (Hollingsworth Decl. Ex. 19), AMJ Services LLC (Id. Ex. 17, 18), MK Marketing LLC (Id. Ex. 11), Zena Nutrition LLC (Id. Ex. 13), VitaMina Labs LLC (Id. Ex. 10), and numerous trusts and holding companies with shared controllers. (Compl. ¶¶ 51, 56, 66-67, 75; Ex. A, Table 2).

14. Steven S. Dickert is identified in public filings as Trustee of Basil Management Trust, which is associated with DRVM LLC, DRC Demo LLC, and AMJ Services LLC. In administrative proceedings, Dickert has been identified as CFO of DRVM and AMJ Services, and as Treasurer for Vitacom LLC (Hollingsworth Decl. Ex. 12), Zena Nutrition LLC (Id. Ex. 13),

FC Nevada Inc. (Id. Ex. 14), and FTN Marketing LLC (Id. Ex. 15). (Compl. ¶ 160; Ex. A, Table 2; Ex. G; Dickert Decl. ¶ 1).

15. Dickert acknowledges that on January 4, 2025, Plaintiff contacted AMJ Services' payroll coordinator regarding a payroll dispute with DRVM. (Dickert Decl. ¶ 14; Compl. ¶ 29).

16. The Declaration of Stacey Nelson describes operational overlap among DRVM LLC, DRC Demo LLC, and MK Marketing LLC, including interchangeable use of entity names for the same workforce. (Hollingsworth Decl. Ex. 21). On May 14, 2025, GRSM issued a cease-and-desist letter to Nelson under the name DRC Demo LLC. (Id. Ex. 22).

17. Ashraf Boutros registered Zena Nutrition LLC (Hollingsworth Decl. Ex. 13), listing 411 E. Bonneville Ave. as its address. Zena Nutrition products were among those Plaintiff demonstrated. (Compl. ¶ 24). Public filings dated December 30, 2025 reflect Zena Nutrition's address change to 2275 Corporate Circle, Suite 220, Henderson, Nevada, listing Steven S. Dickert as treasurer. (Hollingsworth Decl. Ex. 13).

18. MAK Digital LLC was initially organized under Basil Management Trust. On May 28, 2025, filings reflect its ownership transfer into the QRIB/Sanofi corporate chain. (Compl. ¶¶ 114-116; Compl. Ex. A, Table 3. Ex D; Hollingsworth Decl. Ex. 4). This date coincided with a multi-state cluster of DRVM filings. (Compl. Ex. A, Table 1).

E. Arbitration and Related Proceedings

19. On February 19, 2025, Plaintiff initiated arbitration against DRVM LLC, AMJ Services LLC, and Maged Boutros. Counsel from GRSM initially appeared for all three. (Compl. ¶¶ 104, 117; Edwards Decl. ¶ 2). On February 26, 2025, Plaintiff amended the arbitration demand to include Sanofi-Aventis U.S. LLC, Chattem Inc., Quten Research Institute LLC,

and Boutros family members pursuant to the agreement's third-party clause. (Compl. ¶ 105; Edwards Decl. ¶ 3).

20. On March 20, 2025, GRSM withdrew representation from Maged Boutros and AMJ Services LLC. (Compl. ¶ 118). On April 14, 2025, Fisher Phillips LLP appeared for DRVM LLC. JAMS requested clarification due to multiple firms suggesting representing the same entity, reflecting confusion over representation. (Hollingsworth Decl. Ex. 29). GRSM fully withdrew on April 28, 2025. (Compl. ¶¶ 121, 123; Edwards Decl. ¶ 8).
21. On April 28, 2025, the IRS Whistleblower Office assigned claim numbers relating to Sanofi-Aventis U.S. LLC, Chattem Inc., and Quten Research Institute LLC based on Plaintiff's protected disclosures. (Compl. ¶ 3; Ex. B).
22. On July 1, 2025, $6,130.10 was deposited into Plaintiff's bank account during an arbitrator qualification impasse. (Compl. ¶ 130; Hollingsworth Decl. Ex. 30). Plaintiff filed the deposit record in the JAMS docket. On July 2, 2025, after the deposit, DRVM agreed to the arbitrator qualifications Plaintiff had sought. (Compl. ¶ 132; Hollingsworth Decl. Ex. 28).
23. On July 31, 2025, Plaintiff filed a Petition to Compel Arbitration and was granted in forma pauperis status. U.S. Marshals effected service on DRVM LLC, AMJ Services LLC, Maged Boutros, Ashraf Boutros, and Quten Research Institute at 10 Bloomfield Avenue. (Compl. ¶ 139). Service attempts on Sanofi and Chattem were unsuccessful despite three attempts. (Hollingsworth Decl. Ex. 32).
24. On November 24, 2025, the federal court compelled arbitration solely as to unpaid wages and penalties against DRVM LLC. All other respondents were dismissed without prejudice, the court finding that a petition to compel is not the proper vehicle for alter ego claims. (Compl. ¶¶ 147-150; Compl. Ex. F).

25. Plaintiff's Taxpayer First Act retaliation complaint was docketed by the U.S. Department of Labor on November 14, 2025. DRVM LLC appeared as the responding entity; upstream entities identified in Plaintiff's disclosures have not appeared. On December 5, 2025, DRVM filed initial disclosures identifying Steven S. Dickert as its Chief Financial Officer. (Compl. ¶¶ 159-160; Compl. Ex. G).

26. A January 27, 2026 JAMS scheduling order defined discovery scope consistent with the limited wage issues compelled by the federal court. The scheduling order reflects February 19, 2025, as the operative arbitration demand date. (Hollingsworth Decl. Ex. 27).

27. On January 30, 2026, Plaintiff was notified that the enterprise's payroll provider was changing from ADP to Paycom within days. Plaintiff sent a preservation letter to DRVM's counsel, Fisher Phillips. (Hollingsworth Decl. Ex. 31). There has been no written response.

28. On February 26, 2026, DRVM LLC served arbitration discovery responses in the JAMS proceeding. The submissions consisted largely of objections and limited document production, and failed to provide sworn, verified explanations regarding core payroll decisions or the July 1, 2025 deposit. (Hollingsworth Decl. Ex. 33).

F. Post-Litigation Address Updates and Entity Changes

29. Following commencement of litigation, numerous entities updated their principal place of business from 411 E. Bonneville Ave., Las Vegas, Nevada to 2275 Corporate Circle, Suite 220, Henderson, Nevada—the office of the law firm Fabian & Clendenin. (Compl. ¶¶ 143-146).

30. On October 13, 2025, DRVM updated its Oregon principal place of business to the 2275 Henderson address. (Compl. ¶ 143; Hollingsworth Decl. Ex. 20). Vitacom LLC (Id. Ex. 12)

and Zena Nutrition LLC (Id. Ex. 13) updated their filings to the same address on December 20, 2025.

31. A December 30, 2025 screenshot of the Zena Nutrition website listed 411 E. Bonneville Ave. as its contact address. A later screenshot reflects removal of the address from public-facing materials. (Hollingsworth Decl. Ex. 25).

32. On February 6, 2026—the same day AMJ Services LLC filed its motion to dismiss in this Court—AMJ Services updated its principal place of business with the Nevada Secretary of State to the 2275 Corporate Circle address. (Hollingsworth Decl. Ex. 17).

III. THRESHOLD ISSUES

A. Standing (AMJ Services & Basil/Dickert's Motion)

AMJ Services LLC and Steven S. Dickert argue that Plaintiff lacks standing because his injuries are speculative, not traceable to them, or fully redressable in arbitration. The record and Article III doctrine establish otherwise.

To establish standing, a plaintiff must show (1) a concrete and particularized injury, (2) fairly traceable to the challenged conduct, and (3) likely redressable by a favorable decision. *Lujan v. Defenders of Wildlife*, *504 U.S. 555, 560–61 (1992).* At the pleading stage, general factual allegations suffice. *Id.*; *Spokeo, Inc. v. Robins*, *578 U.S. 330, 338 (2016).*

Plaintiff satisfies each element.

1. Injury in Fact

Plaintiff was employed in Oregon from October 15 through December 12, 2024 through DRVM LLC at a time when DRVM lacked authority to transact business in Oregon. (Compl. ¶¶ 23, 26, 40, 43; Ex. E; Dickert Decl. ¶ 3). His wage statements and tax documents identified DRVM as his employer.

Employment through an entity lacking legal capacity is not technical. It affects wage reporting, tax compliance, arbitration enforceability, service of process, and identification of the legally responsible employer. Exposure to legal uncertainty and risk constitutes concrete injury. *Spokeo*, *578 U.S. at 339–40.*

The payroll structure compounded that injury. Commission-based earnings were converted into artificial "hours," aggregating distinct product-line compensation into consolidated wage entries, affecting overtime calculations and obscuring earnings allocation. (Compl. ¶¶ 88–94; Ex. E). Impairment of wage transparency is a concrete economic injury. *Havens Realty Corp. v. Coleman*, *455 U.S. 363, 373–74 (1982).*

Plaintiff also expended time and resources investigating overlapping registrations, trust substitutions, and address changes to determine payroll and HR control. (Compl. ¶¶ 38–64). Diversion of resources is a cognizable economic injury. *In re Volkswagen "Clean Diesel" Mktg.*, *959 F.3d 1201, 1211 (9th Cir. 2020).*

The injury persisted during litigation. On July 1, 2025, $6,130.10 was deposited during arbitration. (Compl. ¶ 130; Hollingsworth Decl. Ex. 30). DRVM's February 26, 2026 discovery responses provided objections but no verified explanation regarding payroll calculations, authorization of the payment, or the basis for the amount. (Hollingsworth Decl. Ex. 33).

The characterization of that payment has also shifted across forums. In arbitration, the payment was not meaningfully addressed or supported with sworn payroll testimony. In the Taxpayer First Act proceeding, it has been referenced as proof of payment. In the petition-to-compel proceedings, it was invoked to argue mootness. In this action, the Sanofi Defendants characterize it as an "overpayment" to suggest bad faith, while AMJ/Basil do not address it at all.

These inconsistent positions underscore the absence of a unified, accountable payroll authority and reinforce the structural uncertainty alleged.

Being compelled to litigate against an entity unable or unwilling to provide sworn payroll testimony regarding the basis, authorization, and classification of wage payments constitutes concrete procedural harm. *Lujan, 504 U.S. at 560.*

The structural consequences extend further. IRS claim numbers were assigned to Quten Research Institute, Chattem Inc., and Sanofi, yet DRVM appears as the responding party in the Department of Labor whistleblower proceeding. (Compl. ¶ 3; Ex. B; Compl. ¶ 158; Ex. G). Plaintiff alleges that the same workforce-facing entity reported in connection with the IRS submission is now positioned as the sole respondent in subsequent proceedings, including the whistleblower matter, while upstream entities disclaim employer status. If proven, that configuration permits the entity identified in the whistleblower context to serve both as the nominal respondent to retaliation-related claims and as the liability-facing substitute for upstream enterprise actors.

Uncertainty regarding the legally responsible employer affects Plaintiff's ability to pursue statutory remedies and constitutes a real stake in the controversy. *TransUnion LLC v. Ramirez*, 594 U.S. 413, 423–24 (2021).

Plaintiff has also incurred reputational and resource burdens responding to litigation positions characterizing his actions as undertaken in bad faith. Such diversion of resources and reputational injury are sufficient for standing. *Meese v. Keene*, *481 U.S. 465, 473–77 (1987).*

Finally, Plaintiff has been confined to arbitration solely against DRVM—an entity unable to bind upstream entities or adjudicate retaliation, employer identity, or enterprise liability. (Compl.

¶¶ 147–150. Confinement to a forum structurally incapable of providing complete relief constitutes procedural injury. *Lujan*, 504 U.S. at 561.

Taken together, these allegations establish concrete economic, procedural, and reputational injury.

2. Traceability

Traceability requires only that injuries be fairly linked to Defendants' conduct, not that they be the sole cause. *Lujan*, 504 U.S. at 560–61; *Bennett v. Spear*, 520 U.S. 154, 168–69 (1997). A causal chain may contain multiple links. *Maya v. Centex Corp.,* 658 F.3d 1060, 1070 (9th Cir. 2011).

Plaintiff's employment documents, wage reporting, and arbitration agreement were issued through DRVM while it lacked legal authority in Oregon. (Compl. ¶¶ 39–43; Ex. C). The payroll system and subsequent refusal to provide verified payroll explanations arise from that structure. (Compl. ¶¶ 88–94; Ex. Hollingsworth Decl. 33).

The Complaint further alleges that AMJ administered payroll and HR functions, Basil Management Trust held controlling interests in DRVM, and Dickert executed filings during dispute proceedings. (Compl. ¶¶ 32, 54, 160; Ex. A, Table 1; Dickert Decl. ¶¶ 6–8). That structural configuration links payroll administration and litigation posture to the injuries alleged. At this stage, that suffices. *Mendia v. Garcia*, 768 F.3d 1009, 1012 (9th Cir. 2014).

In arbitration, DRVM disclaims relevant information as belonging to "third parties," while upstream entities assert they are not proper parties because DRVM alone is the employer. The result is circular: the nominal employer disclaims knowledge, and upstream entities disclaim responsibility. That fragmentation is a foreseeable product of Defendants' enterprise configuration, not independent third-party action. *Maya*, 658 F.3d at 1070.

Traceability is satisfied.

3. Redressability

Redressability requires only that relief be likely to remedy the injury, not that it provide complete cure. *Lujan*, *504 U.S. at 561; Uzuegbunam v. Preczewski*, 141 S. Ct. 792, 801–02 (2021).

The pending arbitration is limited to unpaid wages against DRVM and cannot adjudicate employer identity, alter ego liability, successor liability, or retaliation claims, nor compel non-signatories to appear. (Compl. Ex. F).

A judicial determination of employer identity, enterprise responsibility, and related equitable or monetary relief would directly address the uncertainty, fragmentation, and investigative burdens alleged. The existence of arbitration does not defeat redressability where it cannot provide comprehensive relief. *Chafin v. Chafin*, 568 U.S. 165, 172 (2013).

Redressability is therefore established.

4. Standing Is Not the Merits

Defendants conflate standing with ultimate liability. Standing does not require proof of alter ego, fraud, or enterprise integration. *Maya*, 658 F.3d at 1070. At this stage, the Court must accept Plaintiff's allegations as true. *Lujan*, *504 U.S. at 561.*

Plaintiff has plausibly alleged injury, traceability, and redressability. Rule 12(b)(1) dismissal is unwarranted.

5. Conclusion

Plaintiff has alleged concrete economic, procedural, and reputational injuries arising from the enterprise structure through which his employment and subsequent proceedings were

administered. Those injuries are fairly traceable to Defendants' configuration and litigation posture and are likely redressable by judicial relief.

The standing challenge should be denied.

B. Personal Jurisdiction (Sanofi, Chattem, & Quten)

Sanofi-Aventis U.S. LLC, Chattem, Inc., and Quten Research Institute LLC move to dismiss under Rule 12(b)(2), relying on declarations denying direct employment of Plaintiff or ownership of DRVM LLC. Those declarations address formal corporate separateness; they do not respond to Plaintiff's jurisdictional theory.

Plaintiff's claims arise from his 2024 Oregon employment demonstrating Qunol-branded products within a product enterprise acquired and integrated into the Sanofi corporate structure in 2023. (Compl. ¶¶ 15, 17, 62, 95–101; Ex. Hollingsworth Decl. 34). During Plaintiff's employment, intellectual property entities central to that product line were transferred into Chattem- and Sanofi-managed structures. (Compl. ¶¶ 96–100. Ex. A, Table 3; Hollingsworth Decl. Ex. 1–9). The product line was actively marketed and demonstrated in Oregon.

Plaintiff does not premise jurisdiction on upstream ownership of DRVM. He alleges deliberate acquisition, integration, and commercial exploitation of the Qunol enterprise in Oregon, and claims arising from that activity. DRVM's subsequent nationwide registration and expansion during active proceedings illustrates the fluidity of the workforce-facing entity and confirms that the jurisdictional analysis properly focuses on enterprise-level commercial activity, not shifting corporate formalities.

At this stage, Plaintiff need only make a prima facie showing, with conflicts resolved in his favor. *Schwarzenegger v. Fred Martin Motor Co.,* 374 F.3d 797, 800 (9th Cir. 2004). Specific jurisdiction exists where a defendant purposefully avails itself of the forum, the claims arise out

of or relate to that activity, and jurisdiction is reasonable. *Ford Motor Co. v. Mont. Eighth Jud. Dist. Ct.,* 592 U.S. 351, 359–62 (2021).

Plaintiff satisfies that standard.

1. Purposeful Availment

Purposeful availment exists where a defendant deliberately exploits the forum market for the product giving rise to the injury. *Ford,* 592 U.S. at 360.

a) Quten / QRIB

Quten was acquired in 2023 as part of Sanofi's integration of the Qunol enterprise. (Compl. ¶¶ 15, 62, 95; Hollingsworth Decl. Ex. 34). Quten operates through QRIB and related management structures overseeing MAK Digital, MAK Nutrition, MAK Media, QPD IP, QNB, and QUCOM. (Compl. ¶¶ 96–100; Ex. A, Table 3; Hollingsworth Decl. Ex. 1–9).

Public filings reflect these entities were historically associated with 411 E. Bonneville Avenue—a hub address appearing across workforce and intellectual property entities tied to the Qunol enterprise. (Compl. ¶¶ 51, 65–67; Ex. A, Table 2). During 2024, including during Plaintiff's Oregon employment, multiple entities were consolidated into QRIB and Chattem-managed structures.

Quten/QRIB thus functioned as a managerial hub for the product line marketed and demonstrated in Oregon. That constitutes systematic service of the forum market under *Ford*.

b) Chattem Inc

During 2024—immediately before and during Plaintiff's employment—multiple Qunol-related IP entities were transferred into Chattem's structure, including QPD IP (Oct. 16, 2024), QNBH Enterprises (Sept. 9, 2024), TPD IP (Sept. 16, 2024), and MAK Nutrition and MAK Media (July 19, 2024). (Hollingsworth Decl. Ex. 1–9; Compl. Ex. A, Table 3).

Several were managed through structures listing Sanofi's headquarters at 55 Corporate Drive. (Hollingsworth Decl. Ex. 2, 3, 6, 7, 9; Compl. ¶ 57).

These transfers occurred contemporaneously with Plaintiff's onboarding and product demonstrations in Oregon. Integration of IP entities central to a product line actively marketed in the forum constitutes deliberate exploitation under *Ford*.

c) Sanofi

Sanofi acquired Quten Research Institute in 2023 as part of expanding its U.S. consumer healthcare and retail nutraceutical portfolio. (Compl. ¶¶ 15, 95; Hollingsworth Decl. Ex. 34.) Quten is wholly owned by Chattem, Inc. (Santos Decl. ¶ 5; Ilha Decl. ¶¶ 4–5.) Chattem operates from 55 Corporate Drive, Bridgewater, New Jersey. (Hollingsworth Decl. Exs. 2–3; 9.) Although Sanofi-aventis U.S. LLC asserts that it does not itself directly hold Chattem's membership interests (Proctor Decl. ¶ 6), it does not dispute that Chattem and Quten function within its U.S. consumer healthcare structure.

Sanofi's public acquisition announcement described the transaction as integrating Quten into its retail and consumer platform. The statement emphasized continued expansion of Qunol's retail presence. Ashraf Peter Boutros, Co-founder and CEO of Quten at the time, publicly addressed the transition and reflected continuity of operational direction following the acquisition. (Hollingsworth Decl. Ex. 34.) The acquisition thus encompassed an operating retail marketing and demonstration enterprise—not a dormant intellectual property holding.

Nevada public records further reflect that multiple entities originally formed and managed through Basil-affiliated control at 411 E. Bonneville Ave., Suite 400, Las Vegas, Nevada—including MAK Media, MAK Nutrition, MAK Digital, and TPD IP—later show management entries for Chattem, Inc. at 55 Corporate Drive. (Hollingsworth Decl. Exs. 2–4; 9.)

TPD IP specifically reflects early management by Ashraf Peter Boutros at the Bonneville address before subsequent management entries tied to Chattem. (Id. Ex. 9.) MK Marketing, formed earlier by Ashraf and Maged Boutros, likewise reflects the Bonneville management locus. (Id. Ex. 11.)

These records reflect the movement of operational retail and intellectual property entities from the Bonneville trust-managed structure into a consolidated corporate framework administered from 55 Corporate Drive following the 2023 acquisition. The same retail demonstration enterprise continued active in-store marketing operations in Oregon during Plaintiff's employment. (Compl. ¶¶ 23–26.)

Plaintiff's wage documentation reflects an address and suite number associated with the same corporate locus from which Chattem managed multiple Qunol-related entities. During Plaintiff's employment, the demonstration workforce was actively marketing Qunol products in Oregon as part of the integrated retail channel described in Sanofi's acquisition materials.

This is not a case of passive parent ownership. It involves the acquisition and integration of an operating retail enterprise that continued to deploy marketing and demonstration personnel in Oregon. By consolidating Basil-origin entities such as MAK Media, MAK Nutrition, and TPD IP into a corporate structure administered from 55 Corporate Drive; while continuing retail marketing operations in Oregon, Sanofi and its managed subsidiaries deliberately engaged in commercial activity directed at the Oregon forum.

Specific jurisdiction exists where a defendant purposefully avails itself of the privilege of conducting activities in the forum and the claims arise out of those activities. The integration of Quten's retail marketing infrastructure into the Chattem/Sanofi structure, combined with

continued in-store demonstration operations in Oregon during Plaintiff's employment, satisfies purposeful availment.

Sanofi's acquisition and integration of the enterprise that employed Plaintiff, together with centralized management of related operational entities from 55 Corporate Drive, establishes minimum contacts with Oregon sufficient to support specific jurisdiction.

Relatedness

Specific jurisdiction requires that the claims "arise out of or relate to" forum contacts. *Ford*, 592 U.S. at 359.

Plaintiff was employed in Oregon demonstrating Qunol products. (Compl. ¶¶ 14, 23–24). During that employment, the governing enterprise underwent corporate-level integration and IP consolidation. (Hollingsworth Decl. Ex. 1–9; Compl. Ex. A, Table 3).

Plaintiff's claims arise from:

1. His employment within that product enterprise in Oregon;
2. The workforce structure administering those demonstrations; and
3. Allocation of employer identity and payroll responsibility within the integrated enterprise, including DRVM's positioning as the nominal respondent in arbitration and the DOL proceeding. (Compl. ¶¶ 147–168; Ex. F; Ex. G).

This falls squarely within *Ford*. Strict but-for causation is not required; relation to deliberate exploitation of the Oregon market suffices.

Relatedness is established.

2. The Declarations Do Not Defeat Jurisdiction

Defendants' declarations deny direct employment and formal ownership of DRVM. They do not address:

- Post-acquisition integration of the Quten/Qunol enterprise;
- Governance of the 2024 IP transfers;
- Managerial oversight through QRIB and Chattem structures;
- Workforce continuity during integration;
- Custody and control of payroll and enterprise records;
- Allocation of responsibility across arbitration and the DOL proceeding;
- The transfer of multiple entities by Basil Management Trust into QRIB/Chattem-managed structures during active proceedings;
- The timing of DRVM's multistate registration and expansion during litigation.

Public filings reflect that Basil Management Trust transferred several entities associated with the Qunol enterprise into upstream QRIB and Chattem-managed structures, while DRVM's formal footprint was expanded nationwide during the pendency of dispute proceedings. (Compl. Ex. A, Tables 1–3; Hollingsworth Decl. Exs. 1–9). The declarations submitted by Defendants do not address that restructuring activity. They also assert that Maged Boutros "was not, and never was, an officer." (Santos Decl. ¶ 8). At the same time, the record reflects that Ashraf Boutros—identified as Maged Boutros's father—co-founded Quten Research Institute. (Compl. ¶ 63). Public professional profiles further reflect Maged Boutros's involvement in Quten's sales and marketing activities dating to approximately 2009. (Hollingsworth Decl. Ex. 26) These relationships are not addressed in the declarations, and the omission is relevant to Plaintiff's allegations regarding the integrated structure of the enterprise.

At the prima facie stage, narrowly framed denials of formal employment or ownership do not negate jurisdictional facts that, if credited, support specific jurisdiction. *Schwarzenegger,* 374 F.3d at 800; *Data Disc, Inc. v. Sys. Tech. Assocs.,* 557 F.2d 1280, 1285 (9th Cir. 1977).

The declarations respond to a narrower theory than the one advanced.

3. Reasonableness

Once purposeful availment and relatedness are shown, the burden shifts to defendants to present a compelling case of unreasonableness. *Burger King Corp. v. Rudzewicz*, 471 U.S. 462, 477 (1985).

They cannot.

Sanofi is registered in Oregon. Modern communications minimize litigation burden. Oregon has a strong interest in adjudicating employment and commercial disputes arising within its borders. *Ford*, 592 U.S. at 367. Exercising jurisdiction comports with fair play and substantial justice.

4. In the Alternative, Limited Jurisdictional Discovery

If the Court concludes the record is incomplete, dismissal would be premature. Where jurisdictional facts are controverted or within defendants' exclusive control, discovery is appropriate. *Data Disc*, 557 F.2d at 1285; *Harris Rutsky & Co.*, 328 F.3d 1122, 1135 (9th Cir. 2003).

Plaintiff has identified public filings documenting the 2023 acquisition (Hollingsworth Decl. Ex. 34), 2024 transfers during his employment (Id. Ex. 1–9; Compl. Ex. A, Table 3), and QRIB's and Chattem's managerial role. Defendants' declarations do not address integration planning, workforce continuity, governance over transferred entities, or custody of payroll records.

Accordingly, if dismissal is not denied outright, Plaintiff requests limited discovery directed to:

1. Scope and implementation of the 2023 acquisition and integration;
2. Governance and approval of 2024 IP transfers;

3. Relationship between integration decisions and the Oregon workforce;

4. Custody or control of payroll and enterprise records relevant to Plaintiff's claims.

5. Relationship with Basil Management Trust.

5. Conclusion

The Sanofi Defendants' motion to dismiss for lack of personal jurisdiction should be denied. In the alternative, limited jurisdictional discovery is warranted.

IV. PRELIMINARY CLARIFICATION REGARDING DEFENDANTS' MISCHARACTERIZATIONS

Defendants repeatedly invoke a $15 billion figure to suggest bad faith. That characterization misstates the record.

The referenced figure arose in whistleblower disclosures to federal regulators and in prior arbitration communications addressing the alleged nationwide scope of the enterprise structure. (Edwards Decl. ¶¶ 4-6, Ex. A). It was not asserted as a demand for personal damages in this action.

The operative Complaint seeks only individual relief arising from Plaintiff's employment, declaratory relief regarding employer identity, correction of employment and tax records, and appropriate equitable remedies. (Compl. at 42-45). The figure appears in regulatory and arbitral contexts concerning alleged systemic exposure; it does not appear in the prayer for relief.

Moreover, the prior arbitration proceeding was narrowed by court order to unpaid wages and statutory penalties. (Compl. Ex. F; Hollingsworth Decl. Ex. 27). Any earlier systemic estimates referenced in separate contexts have no bearing on the claims presently before this Court.

Defendants' conflation of distinct proceedings with this civil action is misplaced. The pleadings in this action control.

Following the whistleblower disclosures, Plaintiff created a website on April 8, 2025 compiling and explaining publicly filed materials from the related arbitration, federal court proceedings, and the Department of Labor whistleblower action. The website organizes those filings and provides context regarding the different forums addressing aspects of the dispute.

Defendants—through counsel at Fisher Phillips—repeatedly reference the website to suggest bad faith. That characterization is misplaced. The website summarizes publicly filed proceedings and does not alter the claims or relief sought in this action. Moreover, to the extent Defendants maintain they are not connected to entities referenced in the whistleblower disclosures, their repeated focus on the website discussing those matters underscores the very structural relationships the Complaint alleges. In any event, the pleadings—not external commentary—define the scope of this case.

V. FAILURE TO STATE A CLAIM (ALL DEFENDANTS)

A. Fraud and Fraudulent Concealment (Counts I–II)

Defendants argue Plaintiff pleads no actionable misrepresentation, duty, reliance, or fraud. The Complaint alleges all elements with the particularity Rule 9(b) requires. *Vess v. Ciba-Geigy Corp.,* 317 F.3d 1097, 1106 (9th Cir. 2003). Intent and knowledge may be alleged generally. *Id.* Plaintiff meets that standard.

1. The Employer-Identity Representation (What, When, Where)

On October 15, 2024, Plaintiff was hired in Oregon as a retail demonstrator promoting Qunol-branded products in Costco warehouses. (Compl. ¶¶ 14, 23–24). At onboarding, he was required to execute an arbitration agreement naming DRVM LLC as his employer. (Compl. ¶ 48). His wage statements and tax documentation likewise identified DRVM LLC and listed 411 E. Bonneville Avenue, Las Vegas, Nevada as the employer address. (Compl. ¶¶ 39, 51; Ex. E).

Those onboarding documents and pay records were affirmative representations that DRVM was Plaintiff's employer for wage liability, tax reporting, arbitration enforcement, and compliance with Oregon law—facts material as a matter of law because employer identity determines who bears statutory obligations and who may compel arbitration.

At the time the representation was made, DRVM's authority to transact business in Oregon had been administratively revoked for approximately nine months. (Compl. ¶¶ 40, 43; Ex. C; Dickert Decl. ¶ 3). Fraud is assessed at the time of the statement; later reinstatement does not retroactively cure a misleading representation made during revocation. *Lazar v. Superior Court*, 12 Cal. 4th 631, 638–39 (1996).

2. Operational Absence and Concealment (How the Representation Was Misleading)

The Complaint alleges not only revocation, but that DRVM lacked independent operational substance. (Compl. ¶¶ 43–49, 170–176.) DRVM's Oregon registered agent was listed as Vilma Veras at a Hillsboro residential address. (Compl. ¶ 42; Compl. Ex. C.) That Hillsboro address belongs to Sheila Klein, a long-time regional manager associated with MK Marketing. (Hollingsworth Decl. Ex. 24.) Public records further reflect that Veras is an employee of AMJ Services LLC in New Jersey. (Hollingsworth Decl. Ex. 23.) The 411 E. Bonneville address appears across multiple workforce entities, IP entities, and trust-controlled entities. (Compl. Ex. A, Table 2; Hollingsworth Decl. Exs. 10–15, 19–20.) The Complaint alleges no publicly identified independent DRVM management structure operating in Oregon.

3. Duty to Disclose (Half-Truth and Exclusive Knowledge)

Defendants contend no duty to disclose existed. But a duty arises where a party makes partial representations that are misleading absent additional facts, or where it possesses exclusive

knowledge of material information not reasonably accessible to the other party. *Apte v. Japra,* 96 F.3d at 1323–24.

By requiring Plaintiff to execute onboarding documents and an arbitration agreement identifying DRVM as the lawful employer, Defendants made an affirmative representation regarding employer identity. If, as alleged, DRVM lacked legal authority to transact business in Oregon and lacked independent operational substance, then that representation was at minimum a half-truth absent disclosure of material qualifying facts—including DRVM's legal status, the locus of payroll authority, and the separation between workforce-facing employer identity and enterprise control.

Those facts were uniquely within Defendants' knowledge. An hourly employee does not investigate multistate registrations, trust substitutions, or internal payroll governance before signing onboarding paperwork. Where material facts are exclusively controlled by the defendant and a partial representation creates a misleading impression, the duty to disclose is triggered. The Complaint therefore pleads actionable concealment under Apte.

4. The Arbitration Agreement as an Instrument of the Misrepresentation

The arbitration agreement required Plaintiff to waive access to court and arbitrate disputes solely with DRVM. It was executed during the period of legal nullification and presented as binding through DRVM's employer status. (Compl. ¶ 48).

Plaintiff also alleges a different version of the arbitration agreement was later produced bearing a different name format, and that it was electronically executed by an AMJ Services employee in New Jersey rather than by a DRVM officer. (Edwards Decl. Ex. B). Those facts support the inference that DRVM functioned as a name-bearing conduit rather than an independent contracting entity.

Consent to arbitrate must be knowing and tied to accurate employer identity. Where employer identity itself is plausibly alleged to have been misrepresented, the arbitration agreement is part of the fraud.

5. Upstream Asset Migration While Liability Remained Downstream (Structure and Timing)

While workforce liability remained confined to DRVM—revoked and allegedly lacking operational authority—Qunol-related assets were consolidated upstream into Chattem/QRIB structures operating from 55 Corporate Drive, Bridgewater, New Jersey (Sanofi's U.S. headquarters). (Compl. ¶¶ 95–101; Ex. A, Table 3).

Examples include:

- QPD IP, LLC listing Chattem, Inc. as Manager effective October 16, 2024 (one day after Plaintiff began employment). (Hollingsworth Decl. Ex. 7).
- TPD IP, LLC listing Chattem, Inc. as Manager effective September 16, 2024. (Id. Ex. 9).
- MAK Digital, MAK Media, and MAK Nutrition transferred into QRIB Intermediate Holdings management effective July 19, 2024. (Id. Ex. 1–5, 8; Compl. Ex. A, Table 3).

At the pleading stage, this timing supports the plausible inference of coordinated separation—assets upstream, liability downstream. Fraud liability does not require each defendant to personally sign the misrepresentation; coordinated participation in maintaining a misleading structure may suffice. *Bridge v. Phoenix Bond & Indem. Co.,* 553 U.S. 639, 649–50 (2008).

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6. Scienter

Scienter is plausibly alleged. Defendants knew DRVM's legal status in Oregon. (Dickert Decl. ¶ 3). They knew the registered-agent configuration of a AMJ Employees name was merged with an Oregon MK Marketing employee address. (Compl. ¶¶ 42, 45–49. Ex. C; Hollingsworth Decl. Ex. 23, 24.). They knew the workforce operated nationwide without registration in multiple states. (Compl. Ex. A, Table 1). They knew the internal allocation of payroll authority and contemporaneous transfer of IP into Chattem/QRIB structures. (Hollingsworth Decl. Ex. 1–9; Compl. Ex. A, Table 3). These facts were within their exclusive control.

Presenting DRVM as the lawful and operational employer while withholding material facts regarding its legal status and operational authority supports a plausible inference of knowing concealment. At this stage, Plaintiff need only plead fraud with particularity, not prove it. *Vess v. Ciba-Geigy Corp. USA* 317 F.3d at 1106.

7. Reliance and Causation

Plaintiff relied on the employer-identity representation in accepting employment, signing the arbitration agreement, directing wage demands to DRVM, and proceeding in arbitration and administrative forums under that employer identity. (Compl. ¶¶ 26–37, 48, 174). But for that representation and omission of material facts, Plaintiff would not have executed a binding arbitration agreement in DRVM's name or been confined to proceedings against an entity alleged to lack independent authority.

Where material information is withheld in connection with an affirmative representation, reliance may be inferred. *Affiliated Ute Citizens v. United States,* 406 U.S. 128, 153–54 (1972).

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8. Continuing Concealment and Interference with Statutory Protections

The Complaint further alleges DRVM has been positioned as the employer-of-record across arbitration, federal litigation, and whistleblower proceedings while disclaiming operational control and lacking independent documentation. (Compl. ¶¶ 151–168; Ex. G; Hollingsworth Decl. Ex. 33). Misrepresentation of employer identity impairs statutory enforcement because wage and whistleblower protections depend on identifying an accountable employer capable of producing records and implementing relief. An entity unable to produce payroll records or present decision-makers cannot provide complete redress.

9. Particularity

The Complaint pleads fraud with Rule 9(b) particularity by identifying:

- The representation: DRVM as the lawful employer (Compl. ¶¶ 39, 48, 170–171)
- The time: October 15, 2024 (Compl. ¶ 23)
- The documents: onboarding materials, paystubs, arbitration agreement (Compl. ¶¶ 39, 48, 171; Ex. E)
- The falsifying facts: revocation and lack of independent authority (Compl. ¶¶ 40–43, 172; Ex. C)
- The omissions/structure: asset migration and upstream integration (Compl. ¶¶ 95–101, 178–182; Ex. A, Table 3)
- Reliance: acceptance of employment and arbitration posture (Compl. ¶¶ 26–37, 48, 174)
- Injury: confinement to proceedings against an alleged shell, delay, and economic harm (Compl. ¶¶ 176, 189; Hollingsworth Decl. Ex. 33)

DRVM made the employer-identity representation through onboarding documents, paystubs, and the arbitration agreement. (Compl. ¶¶ 39, 48, 170–171.) AMJ administered payroll routing and HR communications that operationalized that representation. (Compl. ¶¶ 18, 31–33, 77, 152–156.) Dickert, as trustee of Basil Management Trust, executed trust-related and corporate filings and assumed management authority during dispute proceedings. (Compl. ¶¶ 19, 70, 83–84, 113, 115, 160.)

Quten, Chattem, and Sanofi exercised enterprise-level control, funded payroll operations, integrated the workforce structure following the 2023 acquisition, and maintained DRVM as the workforce-facing entity while benefiting from the consolidated structure. (Compl. ¶¶ 3, 5, 15–17, 90–91, 95–101, 157, 165–168.)

The continued use of DRVM as the responding entity in arbitration, federal court, and the Department of Labor Taxpayer First Act proceeding—despite IRS claim numbers being assigned to Quten, Chattem, and Sanofi—supports a reasonable inference of coordinated and knowing concealment rather than inadvertent misstatement. (Compl. ¶¶ 153–160, 165–168; Ex. B; Ex. G.)

Rule 9(b) requires particularity, not proof. Plaintiff plausibly alleges misrepresentation/half-truth, duty, scienter, reliance, and injury. The fraud and fraudulent concealment claims should not be dismissed.

B. Civil Conspiracy (Count III)

Civil conspiracy is a theory of joint liability for an underlying tort. The underlying wrong alleged here is fraud and fraudulent concealment concerning employer identity. Under Oregon law, a civil conspiracy requires (1) an agreement between two or more persons, (2) to accomplish an unlawful objective or a lawful objective by unlawful means, (3) one or more overt acts in furtherance of the agreement, and (4) resulting damages. An express agreement is not

required; it may be inferred from circumstantial evidence, coordinated conduct, and the logical interdependence of parallel acts. See *In re Volkswagen "Clean Diesel" Mktg.,* 959 F.3d 1201, 1214–15 (9th Cir. 2020) (agreement may be inferred from coordinated conduct); *Bell Atl. Corp. v. Twombly,* 550 U.S. 544, 556–57 (2007) (parallel conduct plus contextual facts supporting agreement suffices at the pleading stage); *Grimmett v. Brown,* 75 F.3d 506, 510–11 (9th Cir. 1996) (recognizing liability where coordinated fraudulent conduct causes injury).

Plaintiff incorporates the fraud and concealment allegations above as the underlying wrongful acts.

The agreement may be inferred because each defendant's conduct is only rational if the others maintained DRVM as the outward-facing employer while enterprise control and assets moved upstream.

The Complaint plausibly alleges coordinated participation by DRVM LLC, AMJ Services LLC, Basil Management Trust (through Trustee Steven S. Dickert), Quten Research Institute LLC, Chattem, Inc., and Sanofi-Aventis U.S. LLC to maintain DRVM as the workforce-facing employer-of-record—and thus the liability-facing endpoint—while enterprise assets, IP, and product governance were consolidated upstream. (Compl. ¶¶ 185–190). The alleged objective is unified: allocate workforce exposure to DRVM while preserving enterprise benefit and control upstream.

1. Arbitration Agreement as a Liability-Channeling Mechanism

At hire, Plaintiff was required to execute an arbitration agreement naming DRVM as his employer, as a condition of employment, and extending protections to affiliates and third parties. (Compl. ¶ 48). The employer signature was executed through AMJ-associated infrastructure rather than an identified DRVM officer. (Edwards Decl. Ex. B; Hollingsworth Decl. Ex. 23).

Plaintiff alleges the agreement functioned to channel disputes into a private forum against DRVM alone. Yet in arbitration DRVM has asserted limited custody of documents, limited managerial authority, and limited enterprise-level knowledge. (Hollingsworth Decl. Ex. 33). This combination—forum limitation enforced through DRVM, paired with DRVM's claimed inability to provide enterprise-level discovery—supports the inference that the arbitration structure furthered the same employer-identity concealment alleged in Counts I–II.

2. Coordinated Activation of DRVM and Upstream Asset Migration

The Complaint alleges that during the same period workforce liability was being disputed, DRVM's formal footprint was expanded under trust control while assets historically associated with the network migrated upstream.

Public filings reflect DRVM expanded into multiple states beginning January 10, 2025 under Basil Management Trust, with Dickert acting as trustee. (Ex. A, Table 1; Hollingsworth Decl. Ex. 16). In temporal proximity, on May 28, 2025, MAK Digital LLC—previously associated with Basil Management Trust—was transferred into QRIB Intermediate Holdings within the Sanofi corporate chain. (Hollingsworth Decl. Ex. 4; Compl. Ex. A, Table 3). MAK Media was likewise transferred into QRIB/Chattem-managed structures reflecting Sanofi's headquarters address. (Hollingsworth Decl. Ex. 2; Compl. Ex. A, Table 3). Plaintiff alleges this coordinated timing supports a plausible inference of a unified strategy—expanding the workforce-facing liability entity while consolidating enterprise assets upstream—rather than independent corporate events. (Compl. ¶¶ 114–116); *Twombly,* 550 U.S. at 556–57.

3. Litigation-Responsive Shifts in Authority and Role Assignments

Dickert states he became "CFO" of DRVM effective February 1, 2025. (Dickert Decl. ¶ 1). DRVM's multi-state activations began earlier (January 10, 2025) under trust ownership. (Ex. A,

Table 1). An Idaho filing dated January 13, 2025 shows Dickert executing a DRVM registration before the date he identifies as the start of his CFO role. (Hollingsworth Decl. Ex. 16). The CFO designation appears in proximity to DOL administrative proceedings. (Compl. Ex. G).

Plaintiff alleges the sequencing supports a plausible inference that titles, governance representations, and asserted authority were clarified or deployed in response to litigation and regulatory scrutiny—while DRVM simultaneously disclaimed broader enterprise authority when discovery and accountability were sought. (Hollingsworth Decl. Ex. 33). In context, alternating assertions and disclaimers of authority plausibly support agreement and coordination.

4. Cross-Forum Allocation of Responsibility

Across arbitration, the petition-to-compel proceedings, this federal case, and the Department of Labor Taxpayer First Act matter, DRVM is consistently positioned as the exclusive employer-of-record while upstream entities disclaim operational responsibility. (Compl. ¶¶ 151–168; Ex. F; Ex. G; Sanofi Mot. at 10–18; AMJ/Dickert Mot. at 12–14).

Fraud liability is not limited to statements made directly to the plaintiff; foreseeable effects on a plaintiff's legal rights may suffice. *Bridge v. Phoenix Bond & Indem. Co.,* 553 U.S. 639, 656 (2008). Plaintiff alleges that cross-forum representations and positioning regarding employer identity—combined with DRVM's asserted limitations—further maintained DRVM as the liability endpoint and foreseeably impaired Plaintiff's ability to obtain meaningful relief.

5. Structural Adjustments During Active Proceedings

Plaintiff further alleges that during active litigation concerning employer identity, multiple entities made contemporaneous changes that tend to reduce transparency and complicate discovery:

- AMJ Services changed its principal address on the same day it filed its motion to dismiss (Feb. 6, 2026). (Hollingsworth Decl. Ex. 17).
- Zena Nutrition-related product lines and filings shifted to a new corporate address. (Id. Ex. 13).
- The previously public 411 E. Bonneville address was removed from public-facing materials. (Id. Ex. 25).
- Within days of arbitration discovery being granted, payroll was switched from ADP to Paycom without written response to Plaintiff's preservation request. (Id. Ex. 31).

While each act might be explained in isolation, their timing during active proceedings—combined with overlapping ownership, shared addresses, and the employer-identity dispute—supports a plausible inference of coordinated conduct rather than coincidence at the pleading stage. *Grimmett v. Brown,* 75 F.3d at 510–11.

6. Resulting Harm

Plaintiff alleges that this coordinated structure caused delay in wage recovery, increased investigative and litigation costs, and fragmentation of employer identity across forums. (Compl. ¶ 189). Plaintiff further alleges that confining arbitration and the Taxpayer First Act proceeding to DRVM—an entity asserting limited operational authority—constrains effective relief while upstream actors continue to benefit from and direct the enterprise. (Compl. ¶¶ 161–168).

Taken together, the Complaint plausibly alleges a shared objective, interdependent overt acts, and resulting damages sufficient to state a claim for civil conspiracy.

C. Alter Ego and Veil Piercing (Count IV)

Under Oregon law, a court may disregard corporate separateness where a plaintiff plausibly alleges (1) actual control by the defendant over the corporation, (2) improper conduct in the

exercise of that control, and (3) a causal connection between the improper conduct and the plaintiff's injury. *Amfac Foods, Inc. v. Int'l Sys. & Controls Corp.,* 654 P.2d 1092, 1101 (Or. 1982). The focus is on operational reality and control, not merely on formal registration status. See also *Ranza v. Nike, Inc.,* 793 F.3d 1059, 1073 (9th Cir. 2015).

Plaintiff plausibly alleges each element.

1. Actual Control

The Complaint alleges that a nationwide retail demonstration workforce operated interchangeably under MK Marketing, DRC Demo, and DRVM while promoting Qunol and Zena products. (Compl. ¶¶ 21, 45–49, 80–87). A former regional manager, Stacey Nelson, declares that these entities were used interchangeably in workforce operations. (Hollingsworth Decl. Ex. 21). Employees were reassigned among entities while performing identical work promoting the same product lines. Such operational interchangeability supports a plausible inference of centralized control rather than independent corporate decision-making.

Plaintiff alleges that this workforce became the retail sales engine behind Qunol's expansion and continued operating through Quten's integration and Sanofi's acquisition. (Compl. ¶¶ 80–87). If the workforce existed to advance the product enterprise, and that enterprise was later integrated upstream, it is plausible that functional control and economic benefit resided outside DRVM, DRC Demo, and MK Marketing.

Control over payroll further supports unity of interest. Plaintiff alleges that commissions tied to Qunol and Zena sales were incorporated into hourly wage entries, resulting in pay periods reflecting implausible totals exceeding 200 recorded hours. (Compl. ¶ 91; Ex. E). If proven, this reflects integration of product-driven revenue streams into payroll accounting rather than compensation administered by an independent employer. Plaintiff further alleges that DRVM has

disclaimed independent custody or control of certain payroll records in arbitration and failed to identify enterprise-level managers capable of explaining wage calculations. (Hollingsworth Decl. Ex. 33). An entity that cannot independently produce payroll documentation or present knowledgeable decision-makers plausibly lacks operational independence.

Leadership overlap reinforces this inference. Steven S. Dickert allegedly served as trustee of Basil Management Trust during DRVM's multistate activation and later identified himself as DRVM's Chief Financial Officer. (Dickert Decl. ¶ 1; Hollingsworth Decl. Ex. 16; Compl. Ex. G). Public records further identify Dickert as Treasurer of Zena Nutrition, Vitacom Inc., FC-Nevada Inc., and FTN Marketing LLC. (Hollingsworth Decl. Exs. 12–15). Zena's President, Ashraf Boutros, co-founded Quten Research Institute. (Compl. ¶ 63). As trustee of Basil Management Trust, Dickert also executed transfers of entities later associated with the Sanofi/Chattem structure, including MAK Media, MAK Nutrition, and MAK Digital. (Hollingsworth Decl. Exs. 2–4). The overlap between the trustee-owner and officer of the workforce-facing entity and officers within product-line entities tied to the same enterprise plausibly supports centralized governance rather than separateness.

Taken together, the allegations describe functional domination and unity of control sufficient at the pleading stage.

2. Improper Conduct in the Exercise of Control

The second prong requires that control be used to commit a wrongful or improper act. Plaintiff incorporates the fraud and fraudulent concealment allegations set forth in Counts I and II.

Plaintiff alleges that DRVM was presented as the lawful employer in onboarding documents and arbitration agreements, despite lacking independent operational substance and later

disclaiming broader authority when enterprise-level accountability was sought. (Compl. ¶¶ 39, 48, 147–168; Hollingsworth Decl. Ex. 33). Arbitration was confined to DRVM while upstream entities disclaimed employer status. During the same general period, intellectual property and enterprise assets were consolidated upstream into Chattem- and QRIB-managed structures operating from Sanofi's headquarters. (Id. Ex. 1–9; Compl. Ex. A, Table 3).

Plaintiff further alleges that DRVM was reactivated and expanded into multiple states during active arbitration and Department of Labor proceedings. (Compl. Ex. A, Table 1; Compl. ¶¶ 107–116). The timing supports a plausible inference that control over DRVM was exercised to maintain it as the liability-facing employer while enterprise benefit and governance resided elsewhere.

Alter ego does not require that the corporation be illegitimate in all respects. It is sufficient that control was exercised in a manner that facilitated the alleged misrepresentation and inequitable allocation of liability. *Amfac*, 654 P.2d at 1101.

3. Causation and Inequitable Result

Finally, Plaintiff plausibly alleges that the improper exercise of control caused his injury. Plaintiff alleges that he was confined to arbitration solely against DRVM; that DRVM asserted limited operational authority and limited document control in that forum; that upstream entities disclaimed employer status while benefiting from the enterprise; and that wage recovery and enterprise-level accountability were delayed or impaired as a result. (Compl. ¶¶ 147–168, 176, 189; Hollingsworth Decl. Ex. 33).

If separateness is strictly honored, Plaintiff would be limited to pursuing relief against an entity alleged to lack independent operational substance, while entities exercising functional

control and receiving economic benefit remain insulated. Oregon's alter ego doctrine exists to prevent precisely such an inequitable allocation of liability. *Amfac*, 654 P.2d at 1101.

At the pleading stage, Plaintiff need not prove complete domination. He must plausibly allege control, improper use of that control, and resulting injury. The allegations of interchangeable workforce entities, integrated payroll treatment, overlapping leadership, contemporaneous asset consolidation, and confinement of adjudication to DRVM satisfy that standard.

Dismissal of Count IV is not warranted.

D. Successor Liability (Count V)

As a general rule, a corporation that acquires the assets of another does not assume the seller's liabilities. However, successor liability applies where there is substantial continuity of the enterprise, including continuity of workforce, operations, management, and benefit, or where the transaction amounts to a continuation of the business in another corporate form. *Golden State Bottling Co. v. NLRB*, 414 U.S. 168, 182–85 (1973); *Atchison, Topeka & Santa Fe Ry. Co. v. Brown & Bryant, Inc.*, 159 F.3d 358, 364 (9th Cir. 1998). Courts examine substance rather than formal restructuring.

Plaintiff plausibly alleges substantial continuity here.

Plaintiff began employment on October 15, 2024 promoting Qunol-branded products inside Costco warehouses. (Compl. ¶¶ 23–24). On October 16, 2024—one day later—QPD IP, LLC, an intellectual property entity associated with the Qunol product line, was transferred into Chattem, Inc., utilizing Sanofi's headquarters address at 55 Corporate Drive, Bridgewater, New Jersey. (Hollingsworth Decl. Ex. 7). During this same general period, MAK Digital, MAK Media, and

related entities were transferred into QRIB and Chattem-managed structures within the Sanofi enterprise. (Id. Ex. 1–9; Compl. Ex. A, Table 3).

Despite these asset transfers, the retail demonstration workforce continued operating without interruption. The same employees promoted the same Qunol and Zena products in the same retail locations. The commercial activity generating revenue for the enterprise did not cease or materially change; only the ownership and management of product-line assets were consolidated upstream.

Under *Golden State Bottling*, successor liability may attach where the successor continues the business operations and benefits from the enterprise. *414 U.S. at 182–85.* Under *Atchison*, liability may follow where the business continues in substance despite formal changes in corporate structure. *159 F.3d at 364.*

Plaintiff alleges uninterrupted workforce operations, continuity of product promotion, overlapping management actors, and contemporaneous consolidation of intellectual property into the Sanofi-controlled corporate chain. If proven, these allegations support a finding that the enterprise continued in substance while ownership and governance shifted upstream.

Plaintiff further alleges that DRVM—the entity presented as employer-of-record—does not independently control payroll documentation, cannot produce enterprise-level decision-makers for deposition, and asserts limited authority over records necessary to adjudicate wage and retaliation claims. (Hollingsworth Decl. Ex. 33). If the enterprise continues uninterrupted while liability is confined to an entity lacking independent operational authority, the practical effect would be to allow continued enterprise benefit while impairing meaningful adjudication of employee claims.

Successor liability doctrine exists to prevent precisely that result—continuation of a profitable enterprise under new corporate alignment while liabilities tied to the enterprise's operations are effectively isolated. *Golden State Bottling*, 414 U.S. at 182–85.

At the pleading stage, the allegations of continuity of operations, continuity of workforce, continuity of economic benefit, and contemporaneous integration of enterprise assets into the Sanofi structure are sufficient to state a plausible claim for successor liability.

Dismissal of Count V is not warranted.

VI. ADDITIONAL MOTIONS

A. Defendants' Motion to Strike Should Be Denied

Defendants AMJ Services LLC and Steven S. Dickert move to strike Plaintiff's Complaint under Rule 12(f). That motion misunderstands both the purpose of Rule 12(f) and the function of pleading standards. The Complaint sets forth cognizable claims supported by factual allegations. Rule 12(f) is not a substitute for Rule 12(b)(6), and wholesale striking of a complaint is not warranted.

1. Rule 12(f) Is Narrow and Disfavored

Rule 12(f) permits a court to strike "redundant, immaterial, impertinent, or scandalous matter." Motions to strike are disfavored and should not be granted unless the challenged matter clearly has no possible bearing on the litigation. *Fantasy, Inc. v. Fogerty,* 984 F.2d 1524, 1527 (9th Cir. 1993).

Rule 12(f) is not a vehicle to test the legal sufficiency of claims or to reframe a complaint. Striking an entire pleading is an extraordinary remedy, and Defendants cite no authority permitting wholesale striking of a complaint that pleads recognizable causes of action supported by factual allegations.

2. The Complaint Complies with Rules 8 and 9(b)

Defendants argue that the Complaint violates Rule 8 because it contains detailed factual allegations. Rule 8 requires a "short and plain statement" showing entitlement to relief; it does not prohibit factual specificity. Where claims sound in fraud, Rule 9(b) requires particularity as to the "who, what, when, where, and how." *Vess v. Ciba-Geigy Corp.,* 317 F.3d 1097, 1106 (9th Cir. 2003).

The Complaint contains detailed factual allegations followed by five clearly delineated causes of action. It provides fair notice of the claims and the grounds upon which they rest. See *Swierkiewicz v. Sorema N.A.*, 534 U.S. 506, 514 (2002). Defendants' ability to submit extensive motions and declarations addressing those allegations confirms that the pleading is comprehensible and responsive to Rule 8.

Rule 12(f) does not authorize striking allegations merely because they are detailed or because Defendants dispute them.

3. Superseded Arbitration Amendments Are Immaterial

Defendants attach approximately eighty pages of prior arbitration amendments that are not the operative arbitration demand and are unrelated to the Rule 12 analysis before this Court.

The arbitration presently proceeds under the scope defined by this Court's November 24 Order, which limited arbitration to unpaid wage and penalty claims against DRVM. (Compl Ex. F). The operative demand is the February 19 submission reflecting that narrowed scope. (Edwards Decl. ¶ 2, Hollingsworth Decl. Ex. 27). The earlier amendments attached by Defendants were superseded. (Edwards Decl. ¶¶ 3–6, Ex. A).

Material is "immaterial" under Rule 12(f) where it has no essential relationship to the claims at issue. *Fantasy, 984 F.2d at 1527*. The superseded amendments do not affect whether Plaintiff has plausibly alleged fraud, conspiracy, alter ego, or successor liability.

Nor are such extraneous materials properly considered on a Rule 12 motion unless incorporated by reference or central to the claims. *Lee v. City of Los Angeles*, 250 F.3d 668, 688–89 (9th Cir. 2001). The superseded amendments meet neither standard.

4. Disputed Arbitration Agreement Exhibits Cannot Support Striking

Defendants also attach arbitration agreement exhibits that are subject to a genuine formation dispute. The arbitration currently pending has proceeded under an agreement executed under the name "Jorden Timothy." (Edwards Decl. Ex. B). Defendants now submit a version bearing the name "Jorden Hollingsworth," which was not previously identified as governing during prior proceedings. (Edwards Decl. Ex. B).

In addition, Defendants previously represented in ECF No. 30 that Plaintiff signed a second arbitration agreement. That purported agreement is not in Plaintiff's possession and has not been produced as the governing version in the arbitration proceedings. These inconsistencies further underscore that the formation and governing terms of any arbitration agreement are disputed factual matters not properly resolved on a motion to dismiss.

Where the making of an arbitration agreement is in dispute, the issue cannot be resolved through attachment of contested documents to a Rule 12 motion. See *Three Valleys Mun. Water Dist. v. E.F. Hutton & Co.*, 925 F.2d 1136, 1140–41 (9th Cir. 1991). To the extent Defendants rely on these exhibits to support dismissal or to recharacterize the Complaint, that reliance is improper at this stage.

5. Wholesale Striking Is Unwarranted

Defendants identify no specific allegation that is redundant, immaterial, impertinent, or scandalous. Instead, they seek broad striking of the Complaint or substantial portions of it. Such sweeping relief is inconsistent with Rule 12(f)'s limited purpose.

The challenged allegations relate directly to the claims asserted and provide factual context necessary to plead fraud and enterprise liability with particularity. Because the Complaint satisfies Rules 8 and 9(b), the Motion to Strike should be denied.

6. Leave to Amend

Even if the Court were to identify any pleading deficiency, dismissal with prejudice or striking of claims would be improper at this stage.

Under Rule 15(a), leave to amend should be freely granted when justice so requires. The Ninth Circuit applies this standard with "extreme liberality." *Eminence Capital, LLC v. Aspen, Inc., 316 F.3d 1048, 1051 (9th Cir. 2003).*

If the Court concludes that clarification or additional specificity is required, Plaintiff respectfully requests leave to amend rather than dismissal or striking.

B. Defendants' Motion to Compel Arbitration Should Be Denied

Defendants AMJ Services LLC and Basil/Dickert seek to compel arbitration beyond the scope previously ordered by this Court and in favor of entities that are not signatories to the governing agreement. The motion fails for three independent reasons: (1) the Court has already defined the scope of arbitration; (2) non-signatories lack a valid basis to compel; and (3) there is a genuine dispute concerning the making and governing version of the arbitration agreement.

1. The Scope of Arbitration Has Already Been Defined

On November 24, 2025, this Court compelled arbitration limited to Plaintiff's unpaid wage and penalty claims against DRVM LLC. (Compl. Ex. F). The arbitration now pending proceeds

under that defined scope. (Hollingsworth Decl. Ex. 27). The arbitrator was selected based on wage-and-hour qualifications, and the parties have litigated the parameters of the claims subject to arbitration. (Id. Ex. 27; Compl. Ex. F).

Defendants now seek to expand arbitration to additional entities and broader issues. Arbitration is a matter of consent and scope; it cannot be enlarged by later motion to include new parties or claims not previously compelled. The Court's prior order controls.

2. Non-Signatories Cannot Compel Arbitration Absent a Recognized Basis

AMJ Services LLC and Steven S. Dickert, as Trustee of Basil Management Trust, are not signatories to the arbitration agreement relied upon in the November 24 Order.

Arbitration agreements are enforced under ordinary principles of contract law. *Arthur Andersen LLP v. Carlisle*, 556 U.S. 624, 630–31 (2009). A non-signatory may compel arbitration only under limited doctrines such as third-party beneficiary status or equitable estoppel. *Kramer v. Toyota Motor Corp.*, *705 F.3d 1122, 1128–29 (9th Cir. 2013).*

Defendants identify no contractual provision granting AMJ or Dickert enforcement rights and establish no recognized equitable basis. The third-party clause extends only to "any client of Employer" and does not expressly name AMJ or Dickert. (Edwards Decl. Ex. B). Corporate affiliation alone does not create consent to arbitrate. Arbitration rests on agreement, not relationship.

3. The Making of the Arbitration Agreement Is in Issue

There is a material dispute regarding both the governing version and execution of the arbitration agreement.

The arbitration presently pending has proceeded under an agreement executed under the name "Jorden Timothy." That agreement was referenced during the prior petition to compel and

relied upon in earlier proceedings. (Compl. Ex. F). Plaintiff subsequently filed a Notice of Fraud on the Court, ECF No. 20, attaching the arbitration agreement in Plaintiff's possession and informing the Court that the version previously submitted by Defendants differed from the agreement Plaintiff had received.

Defendants now submit a different version bearing the name "Jorden Hollingsworth." (Edwards Decl. Ex B). That version was not previously identified as controlling during the year-long arbitration proceedings. The existence of two versions creates a threshold dispute as to which agreement governs.

There is also a formation issue. The version submitted by Defendants reflects an electronic signature attributed to "Vilma Veras." Public filings associate Ms. Veras with AMJ Services infrastructure operating from New Jersey. (Hollingsworth Decl. Ex. 23). The document does not identify her as an officer or authorized agent of DRVM, nor does Defendants' evidence include a corporate resolution, officer designation, or proof of authority to bind DRVM.

Where the authority of a purported corporate signatory is in question, the making of the arbitration agreement is "in issue" within the meaning of 9 U.S.C. § 4. See *Three Valleys Mun. Water Dist. v. E.F. Hutton & Co., 925 F.2d 1136, 1140–41 (9th Cir. 1991).* The FAA does not permit a court to compel arbitration without first resolving a genuine dispute concerning contract formation and authority.

The presence of competing versions and the absence of demonstrated corporate authority preclude enforcement at this stage.

4. Arbitration Against DRVM Alone Cannot Resolve the Structural Claims

Even setting aside formation, compelling or expanding arbitration would not resolve the claims asserted in this action.

Plaintiff alleges that DRVM does not independently control payroll systems, enterprise-level decision-making, or corporate records necessary to adjudicate employer identity and structural liability. (Compl. ¶¶ 153–154, 161–167; Hollingsworth Decl. Ex. 33). In arbitration, DRVM has represented that it lacks custody of certain relevant materials and has not identified enterprise-level decision-makers for deposition. (Id. Ex. 33).

If the entity in arbitration lacks authority over the matters in dispute, arbitration confined to that entity cannot adjudicate claims concerning enterprise control, fraud, alter ego, or successor liability. Arbitration is designed to resolve disputes between consenting parties with authority over the issues presented; it is not a mechanism by which upstream entities may avoid participation while a nominal employer appears without operational control.

5. Conclusion

The Court has already defined the scope of arbitration. AMJ and Dickert are non-signatories without a valid enforcement basis. There is a genuine dispute regarding the making and governing version of the arbitration agreement under 9 U.S.C. § 4. And arbitration against DRVM alone cannot adjudicate the structural claims asserted here.

For these reasons, Defendants' motion to compel arbitration should be denied.

IV. CONCLUSION

This case cannot be resolved by corporate labels or by attaching selective declarations to a Rule 12 motion. The Complaint alleges with particularity that Defendants presented DRVM as Plaintiff's lawful employer while operational control, payroll authority, and enterprise benefit resided elsewhere. It further alleges that honoring formal separateness under these circumstances would impair meaningful enforcement of wage and whistleblower protections and undermine the integrity of the arbitration process.

At the pleading stage, the Court must accept well-pleaded factual allegations as true and resolve conflicts in Plaintiff's favor. Competing declarations and alternative characterizations of corporate structure cannot defeat plausibly alleged claims. See *Schwarzenegger v. Fred Martin Motor Co.*, 374 F.3d 797, 800 (9th Cir. 2004).

Plaintiff has plausibly alleged fraud, conspiracy, alter ego liability, successor liability, and personal jurisdiction. To the extent the Court determines that jurisdictional facts are genuinely disputed, limited jurisdictional discovery is appropriate. *Data Disc, Inc. v. Sys. Tech. Assocs., Inc.*, 557 F.2d 1280, 1285 n.1 (9th Cir. 1977).

For these reasons, Plaintiff Jorden Hollingsworth respectfully requests that the Court:

1. DENY the Sanofi Defendants' Motion to Dismiss;
2. DENY the AMJ/Dickert Motion to Dismiss, Motion to Strike, and Motion to Compel Arbitration;
3. In the alternative, GRANT leave to amend pursuant to Rule 15(a); and
4. GRANT such further relief as the Court deems just and proper.

Respectfully submitted,

Dated: March 4th, 2026

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