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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

QYK BRANDS LLC d/b/a Glowyy; et al,

Defendants

Case No. 8:20-cv-01431-PSG-KES

DECLARATION OF SCOTT WELLMAN

I, Scott Wellman, do hereby declare and state as follows:

1. I have personal knowledge of the following facts and, if called upon, would testify to them.
2. I am an attorney of record for the defendants in this action. This declaration is filed in support of defendants' opposition to the plaintiff's (FTC) motion for summary judgment.

3. Attached as **Exhibit "A"** are the relevant pages of the deposition of Danielle Paulo that are cited in defendants' memorandum opposing the FTC's motion.
4. Attached as **Exhibit "B"** are the relevant pages of the Rule 30(b)6 deposition of QYK Brands, LLC that are cited in defendants' memorandum opposing the FTC's motion.
5. Attached as **Exhibit "C"** are the relevant pages of the deposition of Rakesh Tammabattula that are cited in defendants' memorandum opposing the FTC's motion.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 18th day of March 2022 at Laguna Hills, California.

/s/ Scott Wellman
Scott Wellman

EXHIBIT A

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,	)	
	)	Deposition via Zoom
Plaintiff,	)	of:
	)	
vs.	)	DANIELLE PAULO
	)	
QYK BRANDS, LLC, d/b/a	)	
Glowyy, et al.,	)	Case No.
	)	8:20-CV-1431-JLS-KES
Defendants.	)	
	)	

September 23, 2021 * 11:00 a.m.

Location: Held remotely via Zoom

Reporter: Ashley Money, RPR
Notary Public in and for the State of Utah

it, it's out of our control.

Q. Well, you would know if USPS had it, right? You would know because it would have been scanned.

A. Not true. There have been a lot of times USPS would pick up and not scan until three or four days later because they also were short-staffed. That happened frequently.

Q. Then let me ask you this: Given the thousands of orders and the packages, how would you know whether or not it had left the facility if you had no scanning information for it?

A. For example, batches. If I contacted downstairs, someone who was shipping fulfillment, I would say, "This is order number" -- for example, this -- "Can you locate it?" If they would have told me, "Yeah, I remember this, I did this batch, we've already packaged it," that's how I knew we didn't have it in the warehouse because it wasn't to be located.

It's either we located in the stacks or located it in a box, and that's how we knew it was still there.

Q. Explain the batch system for me.

A. So when we would print out the labels, we

example. If anything, it was, "Why" -- "Are you going to charge me? Because I happened to get another extra bottle."

And people were panicking, because also during this time people were strapped on cash or money. People were losing their jobs. So we did the best we can to just make sure, If we couldn't at least provide for you the 8-ounce, we could give you more that we have.

So the majority of our phone calls were, "Are you going to charge me like for this additional that I didn't purchase?" But there's never been a time where someone called saying, "There's nothing in my box," or "There's nothing" -- very few there would be people saying, "Oh, you happened to not ship me that one extra bottle because I ordered ten and you accidentally gave me nine."

Q. Well, there were calls like that, correct, where people complained that they got fewer bottles than what they ordered?

A. Well, correct. We were still humans; we still make mistakes. We tried our hardest, like we were working 16-hour days, hiring anybody that we could that felt comfortable or safe to even work. Like we also worked during a pandemic, during our

shutdown.

So, for example, our goal was to always ship these out in a timely manner, even sooner than what we anticipated; but since we only had a few people rotating every morning and nighttime to ship these, of course we're going to make human error.

But I also kept track of all of our -- if we missed something, I would be the one to create an Excel sheet and make sure that our customer service team or the fulfillment team down below would be able to ship that out that day to -- you know, to make that replacement. We were always on top of it.

Q. So there -- there's a lot. Your answers are long, so it's -- I'm -- I might have to retread some of these questions in order to make sure I got it all, so I apologize.

So just going back to the complaints about wrong items, were there complaints about ordering one brand of hand sanitizer and receiving a different brand of hand sanitizer?

A. That, I do not recall. I wasn't part of the fulfillment, so I wouldn't know what was being shipped out.

Q. Well, I'm just asking whether any customers ever said, "Look, I ordered Dr. J's Natural

EXHIBIT B

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

QYK BRANDS, LLC d/b/a Glowyy, et al.,

Defendants.

CASE NO.
8:20-cv-01431-JLS-KES

Tuesday, August 17, 2021

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

VIDEOCONFERENCE EXAMINATION
OF
RAKESH TAMMABATTULA

The via virtual/remote investigational hearing was taken, pursuant to notice, at 12:35 p.m. EST, reported remotely by Kristy L. Clark, CA CSR# 13529.

Q. And who -- was there someone who was responsible for overseeing the entire process? Or was each separate piece of it overseen by someone different?

A. There wasn't someone who was overseeing the entire process, but there were people responsible for parts of it. There were one or two people that were designated to make sure the shipping options were selected accurately when the shipment labels were created, and that the -- you know, once the shipping labels were printed, they're then grouped into the proper order before sending them downstairs for fulfillment.

Q. And where -- did you supervise this process at all?

A. I did not supervise it.

Q. So who were the folks who were involved in this?

A. They would be different every day because it was temporary help that was doing this process for us.

Q. So every day you would have -- have -- how would you find these folks?

A. These were personal friends and acquaintances of the people who we already had at our place. And then through -- some who came to work for us

Shopify system, and almost all the customers, at the time of placing orders, they preselect or they at least indicate what type of shipping they would prefer, either a slow ground shipping option or, you know, the free shipping or overnight shipments in some cases where people found it necessary.

So there was -- there -- we had back end temporary help who would go through these orders in the chronological order of how we received them, select a shipping option that aligned with the customer's preference, make sure that the shipment criteria was selected based off the product dimensions and the weight, and then they would create a shipping label.

And the shipping label, once it's generated, it would be prepared by another team that worked in tandem with the team who was generating the shipping labels, and these labels would be sorted, based on the type of orders or based on the different categories of the orders.

And it would be sent to the fulfillment staff who were downstairs. So all this process was normally happening in the upstairs of the building we were in, and once the labels were printed and sorted out, they would be sent downstairs for the shipment to be prepared and packaged and shipped out.

temporarily through the ads we had placed.

Q. And how many orders do you -- can this system process per day?

A. You mean in terms of creating the -- purchasing the -- the labels or generating the labels?

Q. Well, you just described the whole process from generating the labels to bringing them downstairs, to someone putting them on a box or, I assume, package, and packaging them. So how many orders could you -- could you handle per day, doing that process?

A. Each of the processes is independent of the other process, so it would be hard to answer cumulatively, answer what each adds to later, but cumulatively, I would say we were able to handle at least -- at least 4- to 5,000 orders in a day.

Q. And what is that based on?

A. It was -- it's based off of a rough estimate on how long it was taking us to generate the labels, print them, sort them, package them, and ship them.

Q. Okay. So based on that process that you just described in generating the labels, printing them, sorting them, bringing them downstairs, and packing the -- the orders, that -- that whole process you could pack 4- to 5,000 -- I assume an order is a box or more, so it could be more than one box, so this is not just

EXHIBIT C

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL TRADE COMMISSION,

Plaintiff,

vs.

QYK BRANDS, LLC d/b/a Glowyy, et al.,

Defendants.

CASE NO.
8:20-cv-01431-JLS-KES

Monday, August 16, 2021

Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

VIDEOCONFERENCE EXAMINATION
OF
RAKESH TAMMABATTULA

The via virtual/remote investigational hearing was taken, pursuant to notice, at 12:35 p.m. EST, reported remotely by Kristy L. Clark, CA CSR# 13529.

through the website, Glowyy.com; correct?
A. Yeah.
Q. And you -- you mentioned this briefly, but we haven't talked about it at length. There was an e-commerce website that was -- e-commerce platform that was associated with the Glowyy.com website; correct?
A. Yes.
Q. And that e-commerce platform is Shopify?
A. Correct.
Q. And that's S-h-o-p-i-f-y?
A. Correct.
Q. Can you explain a little bit about how Shopify works?
A. So Shopify -- Shopify is a ready-made e-commerce platform or easy-to-use e-commerce platform, which allows us to sell any products on line pretty easily without much skills with the actual coding or involvement of the backing of the website, where they have the -- the -- the basic structure developed and the core engine for the e-commerce exists.
And all you do is just change the layout of how we need our store to look, add our products to it, and we're pretty much ready to sell. We could connect the -- the payment -- payment or payment providers through that, and there's nothing much we would have to