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11 Timothy Dugger, an Individual

12 **IN THE UNITED STATES DISTRICT COURT**  
13 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

14 TIMOTHY DUGGER, individually and on )  
15 behalf of a class of similarly situated )  
16 individuals, )

17 Plaintiff,

18 v.

19 KARS4KIDS INC. and OORAH INC., )  
20 inclusive, )

21 Defendants. )

Case No:

CLASS ACTION

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF FEDERAL  
RACKETEERING, CALIFORNIA FALSE  
ADVERTISING, AND CALIFORNIA  
UNFAIR COMPETITION LAWS**

DEMAND FOR JURY TRIAL

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1 **CLASS ACTION COMPLAINT**

2 Plaintiff Timothy Dugger (“Plaintiff”) brings this putative class action against Kars4Kids  
3 Inc. (“Kars4Kids”) and Oorah Inc. (“Oorah”) (collectively, “Defendants”) on behalf of a proposed  
4 nationwide Class consisting of all persons and entities exposed to Kars4Kids’ TV, radio, or  
5 Internet advertisements who donated a vehicle to Kars4Kids, except those located within  
6 Pennsylvania and Oregon; and a proposed California sub-class consisting of all persons and  
7 entities exposed to Kars4Kids’ TV, radio, or Internet advertisements who donated a vehicle to  
8 Kars4Kids within California (collectively, the “Class” or “Classes”). Plaintiff asserts claims  
9 against Defendants under the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18  
10 U.S.C. § 1961 *et seq.*; California False Advertising Law (“FAL”), California Business and  
11 Professions Code § 17500 *et seq.*; and California Unfair Competition Law (“UCL”), California  
12 Business and Professions Code § 17200 *et seq.*

13 Plaintiff alleges the following based upon personal knowledge as to himself and his own  
14 acts, and upon information and belief as to all other matters, based on the investigation conducted  
15 by and through his attorneys, which included, among other things, a review of Defendants’ public  
16 statements and advertisements; documents, testimony, and arguments made or produced by  
17 Defendants in civil actions; media reports and public documents relating to investigations and  
18 actions by state attorney generals; Defendants’ publicly available tax forms and records;  
19 discussions with experts and investigators; and other commentary, analysis, and publicly disclosed  
20 reports and information about Defendants. Plaintiff’s investigation is continuing and many  
21 relevant facts are known only to or are exclusively within the custody and control of Defendants.  
22 Plaintiff believes that substantial additional evidentiary support exists for the allegations set forth  
23 herein and will be obtained after a reasonable opportunity for formal discovery.

24 **I. NATURE OF THE CASE**

25 1. Plaintiff brings this action on behalf of the proposed Classes to seek redress for  
26 Defendants’ scheme to deceive unwitting donors to donate their vehicles to Kars4Kids for  
27 undisclosed and misrepresented purposes. As alleged herein, Defendants publicly disseminated  
28 false and misleading advertisements soliciting vehicle donations to purportedly help local needy

1 children, regardless of any racial, ethnic, or religious affiliation, inducing Plaintiff and Class  
2 members to donate their vehicles under false pretenses. Instead, Defendants used those donations  
3 to fund a separate entity, Oorah, and its promotion of orthodox ideology to Jewish families in New  
4 York and New Jersey. Defendants also used the vast majority of donation proceeds to fund their  
5 own significant expenses and investments.

6 2. Defendants' conduct has spawned multiple government investigations by state attorney  
7 generals and private lawsuits into the misleading nature of their deceptive ads. In 2009, for  
8 instance, Defendants settled two separate actions with the Pennsylvania and Oregon state attorney  
9 generals, who justifiably accused them of disseminating misleading advertisements, and failing to  
10 properly inform donors that Oorah (not Kars4Kids) would use their donations almost exclusively  
11 to fund its orthodox "outreach" activities directed solely at Jewish families. As part of those  
12 settlements, Defendants were required to include additional disclosures in their ads and  
13 solicitations in those states informing potential donors about Defendants' purpose and use of their  
14 donations.

15 3. Defendants were again investigated for the same conduct by the Minnesota state attorney  
16 general in 2017, which similarly found that, while not disclosed in their ads, over 90% of  
17 Kars4Kids' charitable expenditures were simply transferred to Oorah "to promote Orthodox  
18 Judaism, primarily to New Jersey and New York children." In 2021, a California donor brought a  
19 lawsuit against Defendants for false and misleading advertising relating to their deceptive  
20 solicitation commercials. The court there found, under facts nearly identical to those here, that "a  
21 reasonable jury could conclude that Kars4Kids' advertising was misleading because it indicated  
22 donations would benefit needy children nationwide when it actually benefited primarily children  
23 of a particular faith in a particular geographic location."

24 4. Despite these investigations and lawsuits, Defendants have continued to broadcast their  
25 deceptive ads throughout the country, including in California. The reason is clear: Kars4Kids  
26 would receive significantly less donations, and Oorah significantly less funding for its orthodox  
27 "outreach" activities, if donors knew the truth about Defendants' scheme.  
28

1           5. Defendant Oorah, a New Jersey organization dedicated to promoting orthodox Jewish  
2 ideology, was the creator and architect of the fraudulent scheme.<sup>1</sup> Oorah, under the direction of its  
3 President and CEO, Rabbi Eliyohu Mintz (“Mintz”), created Kars4Kids and its misleading ads.  
4 Kars4Kids functioned as Oorah’s internal fundraising arm for the purpose of soliciting car  
5 donations to fund its orthodox “outreach” and proselytizing activities. Oorah and Mintz later spun  
6 off Kars4Kids as a purportedly separate “charity,” also run by Mintz. Despite this separation on  
7 paper, Kars4Kids’ purpose remained the same – to solicit car donations to fund Oorah.

8           6. Described by many as “annoying,” Kars4Kids’ catchy “jingle” advertisements, which  
9 encourage people to “donate [their] car today” for “a vacation voucher and a tax deduction”  
10 “BECAUSE KIDS ARE OUR FUTURE,” are broadcast on TV and radio stations and on the  
11 Internet throughout the country, including California. These ads are clearly designed to make  
12 potential donors believe that Kars4Kids will use their car donation to benefit needy or  
13 disadvantaged local children without regard to any particular racial, ethnic, or religious affiliation.  
14 What the ads fail to inform donors, however, is that their donations are instead simply transferred  
15 to Oorah to fund its promotion of orthodox ideology to Jewish families, to the exclusion of all  
16 others, predominantly in New York and New Jersey. The ads also fail to inform donors that the  
17 vast majority of donation proceeds are not used for *any* charitable purpose and are instead retained  
18 by Kars4Kids and Oorah to fund their significant expenses and investments.

19           7. Like millions of others in California and nationwide, Plaintiff saw and heard these  
20 ubiquitous commercials running as TV ads multiple times a day. Believing Kars4Kids’  
21 representations that it would use his donation to help needy or disadvantaged children, particularly  
22 in California, Plaintiff, like thousands of other unwitting donors, donated his 1998 Toyota pickup  
23 truck to Kars4Kids. Plaintiff would not have donated his vehicle to Kars4Kids had he known the  
24 truth about how it and Oorah would use his donation.

25  
26  
27 <sup>1</sup> Orthodox Judaism adheres to a strict interpretation and application of the laws and ethics  
28 promulgated in the Talmud and later rabbinical tradition. It requires strict adherence to such  
Jewish traditions as kosher dietary laws, sexual purity laws, and gender segregation in the  
synagogue, among others.

1 8. While promoting strict tenets of Judaism in a particular geographic area may be a worthy  
2 endeavor for donors *intending* to do so, Defendants designed their ads to conceal this true purpose  
3 from potential donors. By failing to inform potential donors that their car donations would be used  
4 almost exclusively to: (i) fund Oorah and its orthodox “outreach” activities; (ii) benefit families of  
5 only one religion in one geographic area; and (ii) fund Kars4Kids’ *and* Oorah’s significant  
6 expenses and investments, Defendants’ ads misled and deceived thousands of donors, who, like  
7 Plaintiff, would not have donated had they known the truth about Defendants’ scheme.

## 8 **II. PARTIES**

9 9. Plaintiff Timothy Dugger is a citizen of California and resides in the city of Lower Lake,  
10 California. Plaintiff donated his vehicle, a 1988 Toyota pickup truck, to Kars4Kids in or around  
11 November 2023 and suffered losses because of Defendants’ conduct.

12 10. Defendant Oorah, previously known as Oorah Kiruv Rechokim Fund, Inc., is a 501(c)(3)  
13 tax-exempt organization and is registered as a domestic non-profit corporation under the laws of  
14 New Jersey. Its headquarters are located at 1805 Swarthmore Avenue, Lakewood, New Jersey  
15 08701. Since at least 2018, Oorah has been the controlling entity for numerous subsidiaries,  
16 including Oorah Retreat LLC (outreach activities), Oorah Resort LLC (outreach activities),  
17 Millenium Lodge LLC (real estate activities), and Rutger Equities LLC (real estate activities) – all  
18 sharing the same headquarters as Oorah and Kars4Kids.<sup>2</sup>

19 11. Oorah is no stranger to litigation. In addition to multiple investigations by state attorney  
20 generals and an individual lawsuit concerning Defendants’ misleading and deceptive advertising,  
21 Oorah has also been targeted by several other lawsuits relating to its purported “outreach”  
22 activities. One such lawsuit accused Oorah of secretly purchasing a small synagogue on Staten  
23 Island in 2007 to obtain tax-exempt status as a religious organization, and thereby avoid filing a  
24 public tax return and public scrutiny of its dealings. According to NY Jewish Week, an  
25 independent newspaper serving the New York Jewish community, Young Israel of Eltingville

26 \_\_\_\_\_  
27 <sup>2</sup> Other “related” entities listed on Oorah’s tax forms include Kars4Kids, Congregation Oorah,  
28 and Junk For Joy Inc. – all sharing the same headquarters as Oorah.

1 (“Young Israel”), the synagogue’s prior owner, accused Oorah of improperly purchasing the  
 2 synagogue’s building and creating a fake synagogue called Congregation Oorah, also run by  
 3 Mintz, to secure the tax-exempt status. Young Israel alleged that Congregation Oorah did not,  
 4 however, provide religious services at the synagogue, and that its falsely obtained tax-exempt  
 5 status instead allowed Oorah to shield its “questionable financial dealings” from public scrutiny.<sup>3</sup>

6 12. Oorah registered with the California Secretary of State as a foreign corporation doing  
 7 business in California in 2021. Oorah is a “person,” as that term is defined in 18 U.S.C. § 1961(3),  
 8 who engaged in racketeering activities, and is likewise a member of the “enterprise,” as that term  
 9 is defined in 18 U.S.C. § 1961(4), through which the racketeering activities were conducted.

10 13. Defendant Kars4Kids, also referred to as Kars 4 Kids Inc., is a 501(c)(3) tax-exempt  
 11 organization and is registered as a domestic non-profit corporation under the laws of New Jersey.  
 12 Its headquarters are located at 1805 Swarthmore Avenue, Lakewood, New Jersey 08701 – the  
 13 same headquarters as Oorah. Since at least 2020, Kars4Kids Inc. has been the controlling  
 14 organization for numerous subsidiaries, including: K4K LLC (real estate activities); K4K Media  
 15 LLC (advertising activities); CarsandMore2001 LLC (holding company); JFY Capital LLC  
 16 (holding company); Rolling Brook LLC (real estate activities); Charitable Holdings LLC (real  
 17 estate activities); RE 4 Kids LLC (real estate activities); Kars4Kids Holdings LLC (real estate  
 18 activities); K4K Ltd. (back office services in Israel); and Kars Resources Ltd. (back office services  
 19 in Israel) – all sharing the same headquarters as Oorah and Kars4Kids.

20 14. Kars4Kids registered with the California Secretary of State as a foreign corporation doing  
 21 business in California in 2017. Kars4Kids is a “person,” as that term is defined in 18 U.S.C. §  
 22 1961(3), who engaged in racketeering activities, and is likewise a member of the “enterprise,” as  
 23  
 24

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25  
 26 <sup>3</sup> See NY Jewish Week, “*Young Israel Accuses Kars4Kids Parent Charity of Tax Fraud*” (Nov. 22, 2016)  
 27 (available at: <https://www.jta.org/2016/11/22/ny/young-israel-accuses-kars4kids-parent-charity-of-tax-fraud#:~:text=Young%20Israel%20of%20Eltingville%20is%20claiming%20that%20Oorah,not%20have%20to%20file%20an%20annual%20tax%20return.%29>); NY Jewish Week, “*Young Israel Claims Hostile Takeover Bid by Kars4Kids Parent Parent Org.*” (Jun. 29, 2016) (available at: <https://www.jta.org/2016/06/29/ny/young-israel-claims-hostile-takeover-bid-by-kars4kids-parent-org>).

1 that term is defined in 18 U.S.C. § 1961(4), through which the racketeering activities were  
2 conducted.

3 15. Kars4Kids and Oorah are referred to collectively herein as “Defendants.”

4 **III. JURISDICTION AND VENUE**

5 16. This action arises under 18 U.S.C. § 1961 *et seq.* This Court has subject matter  
6 jurisdiction over this action pursuant to 18 U.S.C. § 1964 because the claims arise under RICO.  
7 Similarly, this Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331  
8 because the claims arise under federal law.

9 17. This Court also has jurisdiction over this matter because it is a class action in which, on  
10 information and belief, the damages exceed \$5 million, exclusive of interest and costs, the number  
11 of class members exceeds 100, and as demonstrated above and below, the parties are diverse  
12 pursuant to the Class Action Fairness Act of 2005 (“CAFA”), 28 U.S.C. § 1332(d).

13 18. This Court has supplemental jurisdiction over the state law claims in this action pursuant  
14 to 28 U.S.C. § 1367.

15 19. This Court may exercise jurisdiction over Defendants because they have continuous and  
16 systematic contacts with this District, do substantial business in this State and within this District,  
17 and engage in unlawful practices in this District as described in this Complaint, so as to subject  
18 themselves to personal jurisdiction in this District, thus rendering the exercise of jurisdiction by  
19 this Court proper and necessary. Specifically, Kars4Kids purposely directed its misleading and  
20 deceptive TV, radio, and Internet solicitations to California residents as described herein; received  
21 and processed tens of thousands of car donations from California residents; and transferred the  
22 funds received from California donations to Defendant Oorah, who used those funds for  
23 misrepresented and undisclosed purposes. Thus, a substantial portion of Defendants’ fraudulent  
24 activities were directed at and occurred in California.

25 20. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1391(a) and (b) because a  
26 substantial part of the events giving rise to Plaintiff’s claims occurred while he resided in this  
27 judicial District, including Defendants’ misleading solicitations and Plaintiff’s vehicle donation.  
28

1 **IV. THE RICO ENTERPRISE SCHEME**

2 21. Defendants created and used a racketeering enterprise through which they employed  
3 deceptive and misleading advertisements to solicit vehicle donations under false pretenses to fund  
4 Oorah and its religious “outreach” activities. Defendants used both wires and mails of interstate  
5 commerce to carry out their common scheme. Through this pattern of racketeering, Defendants  
6 deceived tens of thousands of unwitting donors into donating their vehicles to surreptitiously fund  
7 Oorah.

8 **A. Oorah Created Kars4Kids to Solicit Charitable Donations on Its Behalf**

9 22. Oorah, which means “awaken” in Hebrew, is an orthodox Jewish outreach organization  
10 headquartered in New Jersey. Its stated mission is to develop orthodox Jewish children and  
11 families. According to an October 2016 article in the *Forward*, which covers news for a Jewish-  
12 American audience, Oorah “specializes in outreach to non-observant Jews [by] operating summer  
13 camps and other programs that seek to make non-Orthodox Jews more observant.” Oorah’s  
14 outreach activities are directed solely to those of Jewish faith, excluding all others. It has no other  
15 purpose.

16 23. Oorah created Kars4Kids as its internal fundraising arm and began “doing business as”  
17 (“d/b/a”) Kars4Kids in 1995. Oorah and its CEO, Mintz, later spun off Kars4Kids as a separate  
18 registered organization in 2000 under JOY For Our Youth Inc. (“JOY”) (d/b/a/ Kars4Kids), also  
19 run by Mintz, to oversee Kars4Kids’ fundraising efforts on Oorah’s behalf. JOY changed its name  
20 to Kars4Kids Inc. (d/b/a Kars4Kids) in 2014.

21 24. Despite registering as distinct tax-exempt entities, Kars4Kids and Oorah have continued  
22 to operate as a single enterprise with a common motive – to fund Oorah and its unitary outreach  
23 activities. The organizations share the same headquarters and office space at 1805 Swarthmore  
24 Avenue in Lakewood, New Jersey. They have overlapping staff, including shared administrative  
25 personnel and their shared President and CEO, Mintz, the son of their joint founder, Rabbi Chaim  
26 Mintz. Many Kars4Kids executives are relatives of Oorah executives. While Kars4Kids describes  
27 itself as Oorah’s “sister charity,” it has admitted in court filings that its “car donation business has  
28 *always* served as a fundraising arm on behalf of Oorah, Inc. and its predecessor entities,” even



1 after Oorah and Mintz incorporated it under a separate entity.<sup>4</sup> In other words, Kars4Kids’ purpose  
2 is and always has been to “fund[] Oorah.”<sup>5</sup>

3 25. To fulfill this purpose, Kars4Kids solicits charitable car donations through TV, radio,  
4 and Internet commercials. The Kars4Kids solicitation jingle, which has been described as an  
5 “assault on [the] senses,” was originally created and produced by Oorah (d/b/a Kars4Kids) and  
6 first premiered on radio stations in the New York tri-state area in 1999. Kars4Kids (then operating  
7 under JOY) extended the ads to New Jersey’s airwaves in 2001, Chicago’s in 2004, and  
8 California’s in 2005. By 2008 (and continuing to this date), the jingle had plagued the nation on  
9 major radio broadcast networks such as Clear Channel and CBS, and by 2012, had expanded to  
10 online Internet radio and music streaming sites, such as Pandora.

11 26. The original Oorah ad included the following jingle: “[sung] One-eight-seven-seven cars  
12 for kids; K-A-R-S cars for kids; one-eight-seven-seven cars for kids; donate your car today.” The  
13 radio ads also state that Kars4Kids is a “recognized 501(c)(3) non-profit organization,” is “also at  
14 Kars4Kids.org,” and that donors will receive a tax deduction and vacation voucher for their  
15 donations.

16 27. In or around 2013/2014, Kars4Kids expanded its radio ads by introducing a TV  
17 commercial featuring a spruced-up version of the ad. The commercial features a children’s band  
18 dressed in pink pretending to play instruments and singing same the jingle that includes  
19 Kars4Kids’ name and phone number (1-877-KARS4KIDS) urging people to “donate their cars  
20 today” for a vacation voucher and a tax deduction.

21 28. Kars4Kids remastered its TV commercial in 2019 to adapt its video to new technology  
22 and higher resolution TVs. While the actors changed (as the original actors were no longer  
23

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24 <sup>4</sup> All emphasis added unless otherwise specified. Kars4Kids admitted in court filings in *Kars 4*  
25 *Kids Inc. v. American CAN!*, Case No. 3:14-cv-07770 (D.N.J.), that its purpose has always been  
to fundraise on Oorah’s behalf.

26 <sup>5</sup> When asked about Kars4Kids’ purpose and programs specifically directed at helping California  
27 children, Kars4Kids’ Chief Operating Officer (“COO”) Esti Landau (“Landau”) repeatedly  
28 testified under oath in *Puterbaugh v. Oorah, Inc.*, Case No. 8:21 cv-01593 (C.D. Cal.), on  
Kars4Kids’ behalf as its Fed. R. Civ. P. 30(b)(6) designated representative, that Kars4Kids  
simply “funds Oorah.”

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1 children), the content and script of the commercial remained unchanged from the prior 2013/2014  
2 version. The full audio of the TV advertisement is as follows:

3 “[sung] One-eight-seven-seven cars for kids; K-A-R-S cars for kids; one-eight-  
4 seven-seven cars for kids; donate your car today. [spoken] Donate your car at  
5 Kars4Kids.org. That’s Kars with a K. Pickup is quick and easy. You’ll also get a  
6 vacation voucher and a tax deduction. [sung] One-eight-seven-seven cars for kids;  
7 donate your car today.”

8 29. Text displayed very briefly on the screen at the end of the commercial states that  
9 consumers should donate their car: “BECAUSE KIDS ARE OUR FUTURE,” and that they can  
10 “Learn how you can make a difference in the life of a child” at “Kars4kids.org/howtohelp.”

11 30. The website address displayed during the commercial (Kars4kids.org/howtohelp) directs  
12 viewers to a webpage that encourages people generally to volunteer as mentors, advocates or by  
13 running awareness campaigns. It does not discuss vehicle donations, Kars4Kids’ use of donation  
14 funds or Oorah. Kars4Kids also broadcasts its TV commercial to solicit donations online. The  
15 Kars4Kids “Official TV Commercial” can be found online at  
16 <https://www.youtube.com/watch?v=F94DBBJzko>. Kars4Kids uses these same or substantially  
17 similar commercials to advertise on TV, radio, and Internet stations throughout the country.

18 31. Consumers who hear or view Kars4Kids’ solicitation ads can donate vehicles either by  
19 calling Kars4Kids or submitting a form online. Either over the phone or online, the donor provides  
20 certain information about the vehicle, such as make, model, year, condition, and geographic  
21 location. Kars4Kids then performs an internal assessment of the vehicle based on the donor’s  
22 information and contracts with a local auction house or scrapyard to retrieve and tow the vehicle.  
23 If towing service is not available through the auction house or scrapyard, Kars4Kids contracts  
24 separately with a towing service to tow and/or store the donated vehicle until it can be received by  
25 the auction house or scrapyard. Around 60% of vehicles donated to Kars4Kids nationwide are  
26 retrieved and sold by Copart Auto Auction (“Copart”), a national auction house with its own  
27 towing service. Copart performs auto auctions daily nationwide and auctions off the donated  
28 vehicles on Kars4Kids’ behalf. After auctioning donated vehicles, Copart sends Kars4Kids a bulk

1 check of the sale proceeds, net of Copart’s auction fee. Copart sends these bulk checks to  
2 Kars4Kids around twice a week.

3 32. A small number of donated vehicles are also sold at other smaller auction houses around  
4 the country on Kars4Kids’ behalf, whereby Kars4Kids similarly receives the sale proceeds net of  
5 an auction fee. The rest are sold by Kars4Kids to scrapyards for parts.

6 33. After monetizing donated vehicles through auction or scrapyard sales, Kars4Kids mails  
7 donors a receipt indicating the amount of potential tax deduction they can claim for their donation.  
8 This amount is typically either the amount the car sold for or \$500, whichever is greater. Kars4Kids  
9 also sends donors a travel voucher for a three-day, two-night hotel-stay at one of its select  
10 locations.

11 34. Pursuant to California Business and Professions Code §§ 17510.3 and 17510.4, in  
12 California, Kars4Kids is also required to provide donors with a “solicitation or sale for charitable  
13 purposes card.” The card must contain certain information, including “[t]he name and address of  
14 the combined campaign, each organization, or fund on behalf of which all or any part of the money  
15 collected will be utilized for charitable purposes,” or, “[i]f there is no organization or fund, the  
16 manner in which the money collected will be utilized for charitable purposes.”

17 **B. Defendants’ Solicitation Ads Are Deceptive and Misleading**

18 35. Kars4Kids’ solicitation ads ask people to “donate [their] car today” . . . “BECAUSE  
19 KIDS ARE OUR FUTURE,” claiming that Kars4Kids will provide “quick and easy” pick up of  
20 donated cars and will use them to benefit needy kids (*i.e.*, “4 Kids”). By design, the ads do not  
21 disclose specifically *how* Kars4Kids will use car donations to help kids, *which* kids the donations  
22 will help, or *where* those donations will be used. Instead, they are clearly designed to make donors  
23 believe that Kars4Kids will use their donation to benefit a diverse group of needy children, locally  
24 and nationwide, regardless of any racial, ethnic, or religious affiliation.

25 36. The informational website address provided in the ads ([Kars4kids.org/howtohelp](https://Kars4kids.org/howtohelp)) is, by  
26 design, similarly vague as to exactly which kids will benefit, where and how, simply encouraging  
27 people generally to volunteer as mentors, advocates or by running awareness campaigns. Only by  
28 scrolling all the way down to the fine print that includes Kars4Kids’ copyright notation at the very

1 bottom of the page does it eventually vaguely state in small type: “Your donation will benefit  
2 Kars4Kids, a national organization dedicated to addressing the educational, material, emotional  
3 and spiritual needs of Jewish children and their families.”

4 37. Kars4Kids’ main website (Kars4Kids.org), where donors can submit vehicle donation  
5 forms online, is even less revealing and woefully inadequate to avoid misleading consumers.  
6 Among various information about Kars4Kids’ “Fast, Free Pickup” and how donors can “Save  
7 Money On Your Taxes,” it states only that “[y]our donation supports the youth and educational  
8 programs of national nonprofit Kars4Kids and our sister charity Oorah.” Directly below, in larger  
9 bold print, the website further claims that: “**We don’t use a middleman.** By keeping our process  
10 in-house, we cut out the extra costs often incurred by other charities. This means a higher  
11 percentage of your donation goes to help kids.” While the website has other equally vague and  
12 misleading pages, it is structured so that donors are not required to view any other pages or  
13 disclosures about Kars4Kids’ purpose or use of donation proceeds to submit a donation form  
14 online.

15 38. Nothing in Kars4Kids’ commercials represents to viewers or listeners that the  
16 performers, or the underlying organization, are affiliated with any geographic location, religion or  
17 sectarian ideology. By broadcasting on local TV and radio stations, the ads also suggest that at  
18 least a reasonable portion, if not a significant portion, of the proceeds will be used to help *local*  
19 needy children. That is actionable.

20 39. Like Plaintiff, potential donors exposed to these ads would reasonably understand, albeit  
21 falsely, that: (i) Kars4Kids uses a significant amount of donation proceeds to help needy or  
22 disadvantaged children through its own charitable programs; (ii) donations are used for non-  
23 religious serious needs assistance, such as food, shelter, medical attention, medical research, etc.;  
24 (iii) donations are used to help children generally, without bias to any racial, ethnic, or religious  
25 affiliation or ideology; and (iv) a reasonable percentage of donated funds are used to help children  
26 locally – as the ads themselves represent.

27 40. Kars4Kids’ solicitation ads are materially deceptive and misleading. Nowhere in its ads  
28 does Kars4Kids inform donors that their donations are instead used almost exclusively to fund

1 Oorah and its narrow purpose of promoting orthodox ideology to Jewish families, predominantly  
2 in New York and New Jersey, and to pay for Kars4Kids’ and Oorah’s significant expenses and  
3 investments.

4 **1. Kars4Kids Fails to Inform Donors that It Uses Donations to Fund Oorah and Its**  
5 **Orthodox Outreach Activities**

6 41. Contrary to its ads, Kars4Kids does not operate any charitable programs or services to  
7 support children (or anyone) in California or elsewhere. Instead, after monetizing car donations  
8 through auction and scrapyards sales, Kars4Kids simply transfers the bulk of the proceeds (after  
9 covering its own expenses and operations) to Oorah in the form of a purported “grant.”

10 42. In 2022, for instance, Kars4Kids reported \$101,321,704 in revenue from charitable  
11 donations.<sup>6</sup> It used \$46,385,027 of that revenue (or 46%) on purported “grants” to third-party  
12 organizations for charitable purposes. Of that amount, \$45,880,385 – *or 99%* – of its total  
13 purported charitable spending was simply transferred to Oorah. Kars4Kids used the remaining  
14 54% of donation proceeds to cover its own operating expenses, including over \$35 million spent  
15 on advertising, and to fill its own reserve coffers and investments. None was spent on any  
16 charitable program run by Kars4Kids in California or elsewhere.

17 43. In 2021, Kars4Kids reported \$121,549,389 in revenue from charitable donations. It used  
18 \$66,574,335 of that revenue (or 55%) on purported “grants” to third-party organizations for  
19 charitable purposes. Of that amount, \$66,271,957 – *or over 99%* – of its total purported charitable  
20 spending was transferred to Oorah. Kars4Kids used the remaining 45% of donation proceeds to  
21 cover its own operating expenses, including over \$36 million spent on advertising, and to fill its  
22 own reserve coffers and investments. None was spent on any charitable program run by Kars4Kids  
23 in California or elsewhere.

24 44. In 2020, Kars4Kids reported \$107,313,885 in revenue from charitable donations. It used  
25 \$44,709,280 of that revenue (or 42%) on purported “grants” to third-party organizations for  
26

27  
28 <sup>6</sup> While Kars4Kids also receives boat, plane, and real estate donations, the vast majority of its  
charitable donations – at least 90% – are vehicles.

1 charitable purposes. Of that amount, \$44,398,524 – *or over 99%* – of its total purported charitable  
 2 spending was transferred to Oorah. Kars4Kids used the remaining 58% of donation proceeds to  
 3 cover its own operating expenses, including over \$25 million spent on advertising, and to fill its  
 4 own reserve coffers and investments. None was spent on any charitable program run by Kars4Kids  
 5 in California or elsewhere.

6 45. In 2019, Kars4Kids reported \$72,703,908 in revenue from charitable donations. It used  
 7 \$29,152,149 of that revenue (or 40%) on purported “grants” to third-party organizations for  
 8 charitable purposes. Of that amount, \$28,859,244 – *or 99%* – of its total purported charitable  
 9 spending was transferred to Oorah. Kars4Kids used the remaining 60% of donation proceeds to  
 10 cover its own operating expenses, including over \$23 million spent on advertising, and to fill its  
 11 own reserve coffers and investments. None was spent on any charitable program run by Kars4Kids  
 12 in California or elsewhere.

13 46. As shown above, *nearly 100%* of vehicle donation proceeds purportedly used by  
 14 Kars4Kids for the purported charitable purpose of “helping kids” generally is, instead, simply  
 15 funneled to Oorah to fund its orthodox “outreach” activities. Conversely, most of Oorah’s reported  
 16 revenue (around 85% in 2021 and 90% in 2022) comes directly from Kars4Kids. These “grant”  
 17 transfers are consummated between Defendants through an association-in-fact enterprise with the  
 18 common purpose of soliciting vehicle donations to secretly fund Oorah. There is no formal grant  
 19 application process between the two entities.

20 47. Once Oorah receives these funds, it has full control over how to use them. Oorah uses a  
 21 small amount of the funds it receives from Kars4Kids (less than 5%) to provide tuition assistance  
 22 and summer camp subsidies solely for Jewish children, predominantly in New York and New  
 23 Jersey, to attend its orthodox summer camps in New York.<sup>7</sup> Indeed, it is Oorah, not Kars4Kids,  
 24 that runs the “educational, material, emotional and spiritual” programs described in the fine print  
 25 of Kars4Kids’ mission statement. These programs, run by Oorah and its affiliates, seek to convert  
 26

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27 <sup>7</sup> Oorah also gives a small amount, less than 1%, to various orthodox Jewish organizations,  
 28 including Congregation Oorah, “to promote religious education” and “provide assistance to  
 families.”

1 New York and New Jersey Jewish children and families to orthodox ideologies. They are available  
2 only to Jewish families and exclude non-Jewish recipients.

3 48. The remaining approximately 95% of donation funds received from Kars4Kids are used  
4 by Oorah to cover its own operations and expenses or are placed in Oorah's reserves and  
5 investments, which in 2022 amounted to over \$195 million in assets.

6 49. By representing to donors that their donations would be used to help local needy or  
7 disadvantaged children generally, without regard to any racial, ethnic or religious affiliation, while  
8 failing to disclose that donations are used instead to support Oorah's orthodox "outreach" activities  
9 directed solely at Jewish families, Kars4Kids' ads misled and deceived donors who, like Plaintiff,  
10 would not have donated had they known the truth about Defendants' scheme.

11 **2. Kars4Kids Fails to Inform Donors that It Uses Donations to Benefit Only Jewish**  
12 **Families in Primarily in New York and New Jersey**

13 50. While Kars4Kids broadcasts its ads and accepts car donations nationwide, it fails to  
14 inform potential donors that Oorah (not Kars4Kids) uses their donations almost exclusively to  
15 benefit only Jewish families a limited geographic area, particularly in New York and New Jersey.  
16 According to a 2017 compliance review conducted by the Office of the Attorney General of the  
17 State of Minnesota, over 99.9% of the \$90 million raised by Kars4Kids from 2012-2014 was spent  
18 on charitable programs under the direction and control of Oorah, the two largest programs being  
19 its tuition assistance and summer camp programs in the Catskills area of New York for Jewish  
20 children. According to the Minnesota Attorney General's report, less than 1% of the \$3 million  
21 raised from Minnesota donors was spent on charitable programs for Minnesota children.

22 51. Other states, including California, fare no better. According to Kars4Kids' COO Landau,  
23 of approximately 120,000 cars donated to Kars4Kids in 2021 nationwide (representing  
24 \$114,439,611 in reported donation proceeds), around 30,000 of them, *or 25%*, were donated in  
25 California. That same year, however, Kars4Kids spent only \$3,050 in the form of small charitable  
26 grants to third-party organizations in California – *less than 0.01%* of its approximate donation  
27 proceeds raised from Californians. Kars4Kids (and Oorah) do not have any other programs or  
28 services designed or intended to benefit children (or anyone) in California.

1 52. A breakdown of Kars4Kids’ purported charitable spending, which is entirely in the  
2 form of third-party “grants,” to help California residents for the years 2019-2022 is as follows:

- 3 a. In 2019, Kars4Kids spent \$5,950 on grants in California, representing only 0.02%  
4 of its total charitable spending.
- 5 b. In 2020, Kars4Kids spent \$1,500 on grants in California, representing only 0.003%  
6 of its total charitable spending.
- 7 c. In 2021, Kars4Kids spent \$3,050 on grants in California, representing only 0.005%  
8 of its total charitable spending.
- 9 d. As of January 2022, Kars4Kids had spent \$500 on grants that year in California,  
10 representing only 0.001% of its total charitable spending.

11 53. Like Plaintiff, potential donors exposed to Kars4Kids’ ads would reasonably believe that  
12 it uses a reasonable, if not significant, portion of their donation proceeds to help kids locally within  
13 their states, especially in states like California, where Kars4Kids advertises heavily and receives a  
14 significant portion (around 25%) of its donations. To the contrary, however, the amount of  
15 donation proceeds that Kars4Kids spends in California (and most other states) to help local  
16 children is miniscule – less than a tenth of a percent. Instead, it simply funnels the money (*over*  
17 *99%*) to Oorah to fund its religious orthodox activities in New York and New Jersey.

18 54. By suggesting to potential donors that their donations would be used, at least in part, to  
19 help *local* children, but failing to inform them that donations are, instead, used almost exclusively  
20 by a third-party (Oorah) fund its unitary outreach activities, to members of only one religion in  
21 one geographic area, Kars4Kids’ ads misled and deceived donors who, like Plaintiff, would not  
22 have donated had they known the truth about Defendants’ scheme.

23 **3. Kars4Kids Fails to Inform Donors that the Vast Majority of Donations Are Used**  
24 **to Fund Its’ and Oorah’s Operations and Investments**

25 55. Kars4Kids’ ads are also deceptive and misleading because they fail to disclose that  
26 Defendants use donations proceeds, in large part, to fund their own operations. Contrary to cutting  
27 “extra costs” so that “a higher percentage of your donation goes to help kids,” Defendants use a  
28



1 majority of car donation proceeds to instead fund their own expenses and investments, rather than  
2 helping kids.

3 56. After monetizing donated vehicles through auction or scrapyard sales, Kars4Kids first  
4 uses a significant portion of the funds to cover its own expenses and operations, including millions  
5 of dollars sent to an office in Israel for “administrative services,” and tens of millions of dollars  
6 spent each year on its deceptive advertising campaign.

7 57. On average from 2019-2022, Kars4Kids used around **54%** of its donation proceeds to  
8 either cover its own expenses or retain as investments. The remaining approximately 46%  
9 purportedly used to “help kids” was simply transferred to Oorah. According to its 2022 IRS Form  
10 990, Kars4Kids has accumulated assets of \$34 million, including \$1 million in cash, \$15 million  
11 in real estate holdings and \$15 million in inventory.

12 58. But a review of Kars4Kids’ Form 990 does not provide the full story. The vehicle  
13 donation proceeds then get another “hair cut” when they make their way to Oorah. In 2021, for  
14 instance, Kars4Kids transferred **over \$66 million** of its more than \$121 million in donation  
15 proceeds to Oorah (representing around 85% of Oorah’s total revenue). Of that amount, Oorah’s  
16 total “charitable” spending consisted of only **\$3.5 million** on “scholarships for students,” including  
17 to cover tuition to its *own* camps, and **\$85,000** as “grants” to various orthodox Jewish organizations  
18 (including Congregation Oorah) in New York and New Jersey to “provide assistance to families”  
19 and “promote religious education.” Thus, **only 5%** of the \$66 million in donation proceeds  
20 transferred to Oorah (and 2.9% of the total donation proceeds raised by Kars4Kids) was, in fact,  
21 used by Oorah for **any** “charitable” purpose. The rest was spent on Oorah’s operations and  
22 expenses or retained as income and investments. According to its 2022 Form 990, Oorah has  
23 accumulated assets of over \$195 million.

24 59. The below chart illustrates the donation proceeds raised by Kars4Kids in 2021-2022 that  
25 was ultimately used by Oorah for purported “charitable” purposes, which are indicative of its  
26 “charitable” spending over the past several years:  
27  
28

Year	Donation Proceeds Raised by Kars4Kids	Amount Transferred to Oorah	Amount Used by Oorah for “Charitable” Purposes	Percentage of Total Donation Proceeds
2021	\$121,549,389	\$66,271,957	\$3,579,501	2.9%
2022	\$101,321,704	\$45,880,385	\$4,638,722	4.5%

60. In short, only a miniscule amount of the total donation funds raised by Kars4Kids through Class member vehicle donations, less than 5%, is ultimately used (by Kars4Kids or Oorah) for *any* charitable purpose. Thus, even if donors were to look at Kars4Kids’ reported program spending, without considering (or even knowing about) *Oorah’s* additional expenses and investments, they would be left with the significantly false impression that considerably more of their charitable donations are going to benefit “kids” than is the case.

61. By failing to inform potential donors that their donations would be used, in large part, to fund Kars4Kids’ *and* Oorah’s significant expenses and investments rather than for charitable purposes, Kars4Kids’ ads misled and deceived donors who, like Plaintiff, would not have donated had they known the truth about Defendants’ scheme.

### C. State Attorney General and Other Actions Against Defendants

62. Defendants are acutely aware that their commercials are, by design, likely to deceive and mislead reasonable donors. Shortly after releasing their Kars4Kids radio ads nationwide, Defendants’ conduct spawned multiple governmental investigations by state attorney generals into the misleading nature of the ads. In January 2009, Kars4Kids (then operating under JOY) and Oorah settled an action with the Pennsylvania Office of the Attorney General that accused the two organizations of misleading Pennsylvania donors about the use of their donations. According to the settlement agreement, Kars4Kids and Oorah, using substantially similar ads still broadcast nationwide today, “solicited for contributions in Pennsylvania through a vehicle donation program in order to benefit disadvantaged children, but failed to properly inform donors that their donations would only benefit services for children of certain religious affiliations.” *See* Press Release, Pennsylvania Office of Attorney General, *Attorney General Corbett Announces \$65,000 Settlement With Two New Jersey Charities* (Jan. 30, 2009). The action further alleged that

1 Kars4Kids solicited for charitable contributions without being properly registered with the  
2 Pennsylvania Department of State and failed to include state-required disclosures in radio, print  
3 and Internet solicitations. The settlement required Kars4Kids' parent company, JOY, to pay  
4 \$45,000 in restitution, along with \$10,000 in civil penalties and \$10,000 in investigative costs and  
5 add detailed disclosures to its Pennsylvania solicitations disclosing the religious nature of its and  
6 Oorah's programs.

7 63. Later that year, in April 2009, Kars4Kids (still operating under JOY) settled another  
8 action with the Oregon Office of the Attorney General that similarly accused it of deceiving  
9 Oregon donors about the use of their donations by failing "to disclose that the organization did not  
10 benefit needy children generally, but instead directed its efforts to a narrow religious purpose."  
11 See Press Release, Oregon Department of Justice, *Attorney General John Kroger Cracks Down on*  
12 *Out-of-State Charity Seeking Vehicle Donations* (Apr. 15, 2009). The Oregon Department of  
13 Justice also alleged that Kars4Kids misled Oregon donors by making unsubstantiated claims of  
14 being a "top rated" charity and failing to disclose that its "free vacation" voucher offer was  
15 designed to recruit people to attend timeshare presentations. The settlement required Kars4Kids to  
16 register as an Oregon charity, stop offering "free vacations" to Oregon donors, change its  
17 solicitations to include adequate disclosure of its religious purpose and pay the state \$65,000.

18 64. Defendants were again investigated by the Minnesota Office of the Attorney General in  
19 2017. The Minnesota Attorney General's investigative report confirmed that, while not disclosed  
20 in its ads, Kars4Kids simply "acts as the fundraising arm of Oorah" and "does little direct  
21 charitable work itself." See Press Release, Office of the Minnesota Attorney General, *Swanson*  
22 *Issues Compliance Report on Kars4Kids* (May 4, 2017). According to the report, between 2012  
23 and 2014, Kars4Kids transferred over 90% of its actual expenditures on charitable programming  
24 to Oorah, whose charitable mission was "to promote Orthodox Judaism, primarily to New Jersey  
25 and New York children." The report also concluded that Kars4Kids had engaged in financial  
26 reporting shenanigans to make it appear to donors that more of its money was spent on charitable  
27 programs, as opposed to fundraising and overhead, than was really the case. Finally, the report  
28

1 disclosed that Kars4Kids and Oorah had lost around \$9.7 million in donation-funded real estate  
2 investments since 2007, most of which were managed by their CEO’s cousin.

3 65. In 2021, a California donor filed an individual lawsuit against Defendants for false and  
4 misleading advertising relating to their Kars4Kids commercials. The donor alleged that  
5 Kars4Kids’ TV and radio commercials violated California’s FAL and UCL because they  
6 misrepresented that Kars4Kids would use donation proceeds to help diverse, needy children,  
7 particularly in California. Instead, it used the proceeds to fund Oorah and its religious outreach  
8 activities in New York and New Jersey. Relying on these ads, the plaintiff donated his 2001 Volvo  
9 to Kars4Kids believing, based on its ads, that his donation would be used to benefit needy children  
10 in California generally. Like Plaintiff here, the plaintiff there alleged that he would not have  
11 donated his vehicle had he known the truth about Defendants’ purpose and use of his donation.

12 66. In denying Kars4Kids’ motion for summary judgment in the California case, the court  
13 there found, under facts nearly identical to those here, that: (i) the plaintiff had demonstrated  
14 sufficient injury in fact from the loss of his donated car; (ii) the plaintiff’s property loss “was  
15 caused by [Kars4Kids’] unfair business practice or false advertising;” and (iii) “a reasonable jury  
16 could conclude that Kars4Kids’ advertising was misleading because it indicated donations would  
17 benefit needy children nationwide when it actually benefited primarily children of a particular faith  
18 in a particular geographic location.”

19 67. While these investigations and actions unquestionably alerted Defendants to the  
20 deceptive and misleading nature of their ads, requiring them to change the ads in Oregon and  
21 Pennsylvania to include additional disclosures, Defendants have continued to broadcast their  
22 deceptive ads throughout the rest of the country, including in California. The reason is apparent:  
23 Kars4Kids would receive significantly less donations, and Oorah significantly less funding for its  
24 orthodox outreach activities, if donors knew the truth about Defendants’ scheme.

25 **D. Defendants Profited from Their Misleading Advertisements and RICO Scheme**

26 68. Defendants’ scheme to defraud donors through misleading and deceptive ads has allowed  
27 them to solicit tens of thousands of car donations nationwide from unwitting donors. From 2019  
28 to 2022, Kars4Kids received *over 495,000* vehicle donations nationwide through its deceptive

1 advertising, a substantial portion of which (around 25% in 2021 alone) were from California  
2 donors. Kars4Kids received *over \$370 million* in proceeds from the sale of those donated vehicles,  
3 *over \$185 million* of which (or 99% of Kars4Kids' total charitable spending) was transferred to  
4 Oorah to fund its narrow religious purpose in a particular geographic area.

5 **E. Plaintiff Was a Victim of Defendants' Ongoing Scheme**

6 69. Plaintiff saw and heard Defendants' misleading TV solicitation ads numerous times over  
7 the past decade. Based on these TV commercials, Plaintiff reasonably believed that vehicles  
8 donated to Kars4Kids would be used to help a diverse group of poor or needy children, particularly  
9 in California.

10 70. Based on this belief, Plaintiff donated multiple vehicles to Kars4Kids. Plaintiff's first  
11 donation was a 1986 Nissan Sentra in or around 2000. Plaintiff later donated a 1994 Toyota  
12 4Runner in or around 2013. At all times, Plaintiff believed, based on Kars4Kids' continuous TV  
13 commercials, that his donations would be used to help poor or needy children in California.

14 71. In or around November 2023, Plaintiff again contacted Kars4Kids via telephone to  
15 donate his 1988 Toyota pickup truck. At the time of his donation, the pickup truck was running  
16 and in drivable condition. Kars4Kids accepted the donation and arranged over the telephone for  
17 Plaintiff's truck to be picked up. It also informed Plaintiff that his donated truck would be sold at  
18 auction in Vallejo, California.

19 72. After his vehicle was picked up, Plaintiff contacted Kars4Kids again by telephone in or  
20 around November/December 2023 to inquire as to why he had not received a receipt or donation  
21 confirmation for tax purposes. As a result of his inquiry, Plaintiff received an "Official Receipt"  
22 by letter informing him that he could deduct up to \$1,100, which Kars4Kids claimed was the gross  
23 proceeds from the sale of his vehicle. Regarding the use of his donation, the letter stated only that:

24 Your donation makes a difference in the lives of the children we assist. Besides  
25 giving us the opportunity to help these youngsters and their families, your sincere  
26 interest in our cause brings us one step closer to making this troubled world a better  
27 place in which to live.  
28

1 The letter made no mention of Oorah, its religious purpose or activities, or the true way Kars4Kids  
2 and Oorah would use his donation.

3 73. At no point during Plaintiff’s communications with Kars4Kids did it inform him that his  
4 donation would be used to fund Oorah and its geographically limited orthodox “outreach”  
5 activities, or to fund Oorah’s and Kars4Kids’ expenses and investments. Plaintiff also did not  
6 receive a “solicitation or sale for charitable purposes card” pursuant to California Business and  
7 Professions Code §§ 17510.3 and 17510.4 or any other information aside from the “Official  
8 Receipt” informing him of the way his donation would be used. Plaintiff would not have donated  
9 his vehicles to Kars4Kids had he known the truth about Kars4Kids’ and Oorah’s undisclosed  
10 purpose and use of his donation.

11 **V. DEFENDANTS’ PARTICIPATION IN THE RICO ENTERPRISE**

12 74. Each Defendant is a “person” as that term is defined in 18 U.S.C. § 1961(3). Together,  
13 they formed an association-in-fact that constitutes an “enterprise,” as that term is defined in 18  
14 U.S.C. § 1961(4), for the purpose of carrying out their racketeering activities.

15 **A. Defendant Kars4Kids**

16 75. Kars4Kids used this enterprise to engage in a pattern of racketeering. Continuously since  
17 at least 2014 (and before that under JOY), Kars4Kids has created and broadcast deceptive and  
18 misleading ads in California and nationwide soliciting charitable vehicle donations to purportedly  
19 help a diverse group of needy or disadvantaged children locally and nationwide, while instead  
20 funneling those donation proceeds to Oorah to fund its narrow religious purpose of promoting  
21 orthodox ideology to Jewish families in a particular geographic area, and to fund its and Oorah’s  
22 operations. The pattern of racketeering actions Kars4Kids committed include:

- 23 a. Conspiring with Oorah to solicit vehicle donations through misleading and  
24 deceptive advertising to fund Oorah;
- 25 b. Creating and producing TV, radio, and Internet commercials soliciting charitable  
26 vehicle donations that contain material misrepresentations and omissions regarding  
27 its purpose and use of donation proceeds;
- 28

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- 1 c. Broadcasting, or causing to be broadcast, commercials over TV, radio, and Internet
- 2 wire mediums in California and throughout the country that contain material
- 3 misrepresentations and omissions regarding its purpose and use of donation
- 4 proceeds;
- 5 d. Failing to disclose to donors that it uses their vehicle donations to: (i) fund Oorah
- 6 and its narrow religious mission of promoting Jewish orthodoxy, (ii) benefit only
- 7 families of one religion in one geographic area, and (iii) fund Kars4Kids' and
- 8 Oorah's significant expenses and investments;
- 9 e. Accepting and processing thousands of vehicle donations from donors in California
- 10 and throughout the country over the telephone and Internet;
- 11 f. Contracting with third-party auction houses, scrapyards and towing companies to
- 12 retrieve, store and sell donated vehicles;
- 13 g. Receiving proceeds by wire or mail from third-party auction houses and scrapyards
- 14 for the sale of donated vehicles;
- 15 h. Mailing donors a receipt or other information indicating the amount of potential tax
- 16 deduction they can claim for their donation and/or a travel voucher for a three-day,
- 17 two-night "vacation" stay;
- 18 i. Using a majority of vehicle donation proceeds to pay for its own significant
- 19 operating expenses and investments; and
- 20 j. Transferring proceeds from vehicle donations to Oorah by mail and/or wire to fund
- 21 Oorah's orthodox "outreach" activities, expenses and investments.

22 **B. Defendant Oorah**

23 76. Defendant Oorah similarly used this enterprise to engage in a pattern of racketeering.  
24 Continuously since at least 2014 (and before that through JOY), Oorah has used Kars4Kids to  
25 solicit vehicle donations, through its misleading and deceptive commercials, for the purpose of  
26 funding Oorah's operations and narrow religious activities. The pattern of racketeering actions it  
27 committed include:  
28

- 1 a. Creating Kars4Kids as its d/b/a to solicit vehicle donations to fund its operations,
- 2 investments, and orthodox “outreach” activities;
- 3 b. Creating, producing, and broadcasting, or causing to be broadcast, over wire
- 4 mediums the original misleading Kars4Kids “jingle” featured in Kars4Kids’
- 5 misleading and deceptive commercials;
- 6 c. Creating a separate entity, along with its CEO, Mintz, to oversee Kars4Kids’
- 7 deceptive advertising campaign, first under JOY, then under Kars4Kids Inc.;
- 8 d. Conspiring with Kars4Kids to solicit vehicle donations using misleading and
- 9 deceptive advertising to fund its operations, religious activities, and investments;
- 10 e. Continuing to use Kars4Kids’ vehicle donations, even after it spun off Kars4Kids
- 11 as a separate entity;
- 12 f. Receiving vehicle donation proceeds from Kars4Kids by mail and/or wire; and
- 13 g. Using vehicle donation proceeds from Kars4Kids to pay for its operating expenses,
- 14 investments, and narrow religious activities.

15 **VI. DEFENDANTS’ MISLEADING AND DECEPTIVE ADVERTISING**

16 77. Kars4Kids runs its deceptive TV, radio, and Internet advertisement campaigns to solicit  
17 charitable vehicle donations throughout the United States such that the vast majority of individuals  
18 who donate, other than those located in Pennsylvania and Oregon, are exposed to the same or  
19 similar misleading and deceptive ads.

20 78. Plaintiff specifically recalls viewing Kars4Kids’ TV commercials and relied on them in  
21 donating his vehicles to Kars4Kids. Based on Kars4Kids misleading advertisements, Plaintiff  
22 reasonably believed that his vehicle donations would be used to help needy or disadvantaged  
23 children in California, without regard to any racial, ethnic, or religious affiliations.

24 79. Kars4Kids was under a duty to Plaintiff and Class members because it made suggestions  
25 and representations in its ads that their car donations would be used to help needy or disadvantaged  
26 children generally, locally and nationwide, regardless of racial, ethnic, or religious affiliation, but  
27 suppressed, concealed, or did not disclose material facts that qualify those representations, namely  
28 that the donations would, instead, be used to fund Oorah and its narrow purpose of promoting



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1 Jewish orthodoxy to families of only one religion in one geographic location, and fund Kars4Kids’  
2 and Oorah’s significant expenses and investments.

3 80. These intentional acts were expressly aimed at potential donors in California and  
4 nationwide. Kars4Kids runs its misleading and deceptive ads on radio, TV, and Internet stations  
5 in California and throughout the country, except Pennsylvania and Oregon.

6 81. These omissions and misrepresentations were by design and allowed Kars4Kids and  
7 Oorah to collect substantial vehicle donations from unwitting donors. Defendants knew, or by the  
8 exercise of reasonable care should have known, that their omissions were deceptive and  
9 misleading, and deliberately designed Kars4Kids’ commercials to deceive reasonable consumers  
10 like Plaintiff and Class members. These misrepresentations could have been corrected by simply  
11 informing donors of Kars4Kids’ true purpose – to fund Oorah and its geographically limited  
12 orthodox “outreach” activities. Indeed, Kars4Kids was required to make similar corrections to its  
13 ads broadcast in Pennsylvania and Oregon pursuant to its settlements with those states’ attorney  
14 generals.

15 82. Kars4Kids’ omissions and misrepresentations regarding the true use of vehicle donation  
16 proceeds were material to donors. A reasonable donor would attach importance to the truth or  
17 falsity of Kars4Kids’ represented use of donation proceeds in deciding whether to make a vehicle  
18 donation. Indeed, it is perhaps the most important factor that a potential donor considers. If donors  
19 had known that their car donations would be used primarily to fund a separate organization to  
20 support its orthodox “outreach” activities in New York and New Jersey, directly only at Jewish  
21 families, they could have made an informed decision about the disposition of their property.  
22 Instead, Defendants’ false and misleading advertisements caused Plaintiff and Class members to  
23 donate their vehicles under false pretenses.

24 83. Defendants knew that their Kars4Kids ads were misleading donors. By 2009, Defendants  
25 had already settled actions brought by state attorney generals in Pennsylvania and Oregon relating  
26 to these same or similar misleading and deceptive ads. Despite these settlements, which required  
27 Kars4Kids to include adequate disclosures in their Pennsylvania and Oregon solicitations,  
28

1 Kars4Kids has continued to run its misleading and deceptive ads in California and throughout the  
2 rest of the country.

3 84. Plaintiff was damaged by these misrepresentations and omissions individually as  
4 described herein, and he relied on them in that he would not have donated his vehicle to Kars4Kids  
5 had he been informed of Defendant's scheme. Class members have been similarly damaged by  
6 Defendants' material misrepresentations and omissions.

7 **VII. CLASS ALLEGATIONS**

8 85. Plaintiff brings this action individually and on behalf of a nationwide Class, pursuant to  
9 Federal Rule of Civil Procedure 23, defined as follows:

10 **Nationwide Class:** All persons who, within the applicable statute of limitations until the date  
11 notice is disseminated, were exposed to a Kars4Kids TV, radio, or Internet advertisement and  
12 who donated a vehicle to Kars4Kids, except those located within Pennsylvania and Oregon.

13 86. Plaintiff also seeks certification of the following sub-class:

14 **California Sub-Class:** All persons who, within the applicable statute of limitations until the  
15 date notice is disseminated, were exposed to a Kars4Kids TV, radio, or Internet advertisement  
16 and who donated a vehicle to Kars4Kids within California.

17 87. Excluded from the Classes are Defendants and their affiliates, agents, employees, legal  
18 representatives, co-conspirators, successors, subsidiaries, officers, and directors, and any members  
19 of their immediate families. Plaintiff reserves the right to modify, change, or expand the various  
20 class definitions set forth above, based on discovery and further investigation.

21 88. The Classes are so numerous that joinder of all members is impracticable. It is apparent  
22 that the number of donors injured by Defendants' misleading ads is so large as to make joinder  
23 impracticable as the Classes are comprised of thousands of donors geographically dispersed  
24 throughout the United States. In its 2022 Annual Report, Kars4Kids reported that in 2022 alone, it  
25 received 88,717 vehicle donations nationwide. In 2021, it received around 120,000 vehicle  
26 donations nationwide, approximately 30,000 of which were from California donors. While the  
27 exact number of potential Class and Sub-Class members for the entire relevant period is currently  
28 unknown, such information can be ascertained from Kars4Kids' records.

1 89. Common questions of law and fact exist as to all members of the Classes that predominate  
2 over any questions affecting solely individual members of the Classes. Among the questions of  
3 law and fact common to the Classes are:

- 4 a. Whether Defendants are persons within the meaning of the RICO statute;
- 5 b. Whether Defendants formed an enterprise that engages in racketeering activity;
- 6 c. Whether Defendants violated federal mail and wire fraud laws;
- 7 d. Whether Defendants' advertisements for the charitable donation of vehicles were  
8 materially misleading, or objectively reasonably likely to deceive;
- 9 e. Whether Defendants engaged in false or misleading advertising;
- 10 f. Whether Defendants' wrongful conduct was intentional or knowing;
- 11 g. Whether the alleged conduct constitutes violations of the laws asserted;
- 12 h. Whether Plaintiff and Class members have suffered damages, and, if so, the nature  
13 and extent of those damages;
- 14 i. Whether Plaintiff's and Class members' injuries are a foreseeable and natural  
15 consequence of Defendants' conduct; and
- 16 j. Whether Plaintiff and Class members are entitled to appropriate remedies,  
17 including restitution, damages, and injunctive relief.

18 90. Plaintiff's claims against Defendants are typical of Class members' claims because all  
19 members sustained damages arising out of Defendants' wrongful conduct as described herein.  
20 Plaintiff's and Class members' claims all arise out of Defendants' uniform misrepresentations,  
21 omissions, and unlawful, unfair, and deceptive acts and practices related to their solicitation and  
22 use of charitable donations, and the relief sought is common.

23 91. Plaintiff will fairly and adequately protect the interests of the Classes and has retained  
24 counsel competent and experienced in class action lawsuits. Plaintiff has no interests antagonistic  
25 to or in conflict with those of the Classes and therefore is an adequate representative for the  
26 Classes.

27 92. A class action is superior to other available methods for the fair and efficient adjudication  
28 of this controversy since joinder of all Class members is impracticable, and it will permit a large

1 number of claims to be resolved in a single forum simultaneously, efficiently, and without the  
2 unnecessary hardship that would result from the prosecution of numerous individual actions and  
3 the duplication of discovery, effort, expense, and burden on the courts that individual actions  
4 would engender. The benefits of proceeding as a class action, including providing a method for  
5 obtaining redress for claims that would not be practical to pursue individually, are far superior to  
6 any other method available for the fair and efficient adjudication of these claims. Absent a class  
7 action, it would be highly unlikely that the representative Plaintiff or any other Class members  
8 would be able to protect their own interests because the cost of litigation through individual  
9 lawsuits might exceed expected recovery. Also, the adjudication of this controversy through a class  
10 action will avoid the possibility of inconsistent and possibly conflicting adjudications of the claims  
11 asserted herein. There will be no difficulty in the management of this action as a class action.

12 93. Certification of this class action is appropriate because the questions of law or fact  
13 common to the respective Class members predominate over questions of law or fact affecting only  
14 individual members. Certification is also appropriate because Defendants acted or refused to act  
15 on grounds generally applicable to the Classes, thereby making appropriate the relief sought on  
16 behalf of the Classes as a whole. Certification of Plaintiff's claims for class-wide treatment is also  
17 appropriate because Plaintiff can prove the elements of the claims on a class-wide basis using the  
18 same evidence as would be used to prove those elements in individual actions alleging the same  
19 claims.

20 94. Kars4Kids' records contain the entire universe of potential Class members. Notice to  
21 Class members may be accomplished inexpensively, efficiently, and in a manner best designed to  
22 protect the rights of all Class members. Class notice can likely be directly sent to individual Class  
23 members because Kars4Kids' own records and documents will likely identify all Class members  
24 and contain their contact information.

## 25 VIII. COUNTS

### 26 **FIRST CAUSE OF ACTION**

#### 27 **Violation of the Racketeer Influenced and Corrupt Organizations Act**

28 **18 U.S.C. § 1961 *et seq.***

**(Against all Defendants)**

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1 95. Plaintiff incorporates all preceding and subsequent paragraphs by reference as if set forth  
2 fully herein.

3 96. Plaintiff brings this claim against Defendants individually and on behalf of a nationwide  
4 Class under the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961  
5 *et seq.*

6 97. 18 U.S.C. § 1962(c) provides that “[i]t shall be unlawful for any person employed by or  
7 associated with any enterprise engaged in, or the activities of which affect, interstate or foreign  
8 commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s  
9 affairs through a pattern of racketeering activity or collection of unlawful debt.”

10 98. At all relevant times, Plaintiff was and is a “person” within the meaning of 18 U.S.C. §§  
11 1961(3) and 1962(c).

12 99. At all relevant times, Defendants Kars4Kids and Oorah were and are each a “person”  
13 within the meaning of 18 U.S.C. §§ 1961(3) and 1962(c).

14 100. At all relevant times, each of the Defendants was, and is, a “person” that exists separate  
15 and distinct from the RICO enterprise, described below.

16 **1. The RICO Enterprise**

17 101. Defendants Kars4Kids and Oorah created an association-in-fact enterprise (the  
18 “Enterprise”) within the meaning of 18 U.S.C. §§ 1961(4) and 1962(c). These organizations  
19 bonded together to form a distinct enterprise with a common purpose through which they could  
20 conduct a pattern of racketeering activity.

21 102. Defendants’ Enterprise has the common goal of defrauding Plaintiff and Class members  
22 out of tens of thousands of donated vehicles through a sustained and well-orchestrated scheme of  
23 deceptive conduct and material misrepresentations made in connection with Kars4Kids’ charitable  
24 solicitation efforts, to funnel donations proceeds to Oorah.

25 103. The members of the Enterprise, Kars4Kids and Oorah, have long-standing and ongoing  
26 relationships rooted in common ownership, common control, ongoing business dealings, and a  
27 mutual interest and participation in the common (criminal) activities.

1 104. The Enterprise has longevity sufficient to permit Defendants to pursue its goal of  
2 defrauding Plaintiff and Class members for Defendants' benefit. The Enterprise has been operating  
3 as a racketeering enterprise since at least 2014 (and prior under JOY), when Defendants formed  
4 Kars4Kids as a separate, distinct entity with the purpose of soliciting charitable vehicle donations  
5 through misleading and deceptive TV, radio, and Internet ads on Oorah's behalf. Defendants used  
6 the Enterprise to funnel Plaintiff's and Class members' donation proceeds, obtained under false  
7 pretenses, to Oorah to fund its expenses, investments, and narrow religious activities. The  
8 Enterprise qualifies as a close-ended enterprise because the predicate acts occurred over a period  
9 exceeding three years (from 2014 to the date suit was filed). It also qualifies as an open-ended  
10 enterprise, in that it was actively continuing to commit predicate fraudulent acts as of the date this  
11 lawsuit was filed. Defendants' past conduct by its nature poses a threat of repetition because it has  
12 been ongoing throughout the past decade and has continued post-suit.

13 105. The Enterprise is organized as a cohesive group with specific and assigned  
14 responsibilities. It has been structured to operate as a unit to accomplish the common goals and  
15 purposes of their criminal scheme. Each of the Defendants knew of the existence of and conducted  
16 or participated in the operation or management of, the Enterprise and its affairs.

17 106. Defendants agreed to – and did – operate the Enterprise through a pattern of racketeering  
18 activity, including multiple related acts of wire fraud and mail fraud, as described herein.

19 107. Defendants had a common purpose – to defraud potential donors into donating vehicles  
20 under false pretenses to fund Oorah. Kars4Kids and Oorah both benefited financially from doing  
21 so. As a result of their fraudulent conduct, Kars4Kids was able to obtain significantly more vehicle  
22 donations, which it funneled to Oorah to fund its narrow religious activities. Defendants also used  
23 the ill-gotten donation proceeds, in large part, to pay for their own expenses and investments.

24 108. At all relevant times, the Enterprise was engaged in, and its activities affected, interstate  
25 commerce within the meaning of 18 U.S.C. § 1962(c). The Enterprise regularly participated in TV,  
26 radio, and Internet advertising mediums, accepted and processed vehicle donations nationwide,  
27 facilitated the auction and sale of donated vehicles nationwide, and held, transferred, and used  
28 donation funds and assets for Defendants' undisclosed and misrepresented purposes.

1                   **2. Pattern of Racketeering Activity**

2           109. Defendants conducted or participated in, directly or indirectly, the management or  
3 operation of the Enterprise and its affairs through a “pattern of racketeering activity” within the  
4 meaning of 18 U.S.C. § 1961(5) and in violation of 18 U.S.C. § 1962(c); to wit, they have  
5 consistently and regularly committed multiple acts of racketeering activity spanning a period since  
6 at least 2014 (and prior) to the present, and with the substantial threat of these racketeering  
7 activities continuing. These multiple acts shared a common or related purpose, goal, result,  
8 participants, victims, and method of commission, as described below and throughout this  
9 Complaint.

10           110. Defendants engaged in a common scheme to defraud Plaintiff and Class members  
11 through deceptive and misleading advertising into donating vehicles to Kars4Kids and funnel their  
12 ill-gotten donation proceeds to Oorah. The ultimate objective of Defendants’ scheme was and is  
13 to deceive and induce Plaintiff and Class members into unwittingly donating their vehicles –  
14 purportedly to help local needy or disadvantaged children generally – to fund Oorah instead  
15 surreptitiously and its orthodox “outreach” activities, and fund Defendants’ own expenses and  
16 investments. This scheme directly benefited both Kars4Kids and Oorah, who share common  
17 control, leadership and (undisclosed) purpose, individually and collectively.

18           111. Defendants accomplished their scheme to defraud Plaintiff and the Classes by regularly  
19 and systematically misrepresenting, concealing, and/or failing to disclose material information to  
20 Plaintiff and the Classes about their purpose and use of vehicle donation proceeds, and  
21 systematically deceiving Plaintiff and the Classes about their activities, their coordination between  
22 one another, and the true nature of their fraudulent business practices.

23           112. In furtherance of their scheme, Defendants committed multiple acts of wire fraud, in  
24 violation of 18 U.S.C. § 1341, and mail fraud, in violation of 18 U.S.C. § 1343. These acts include  
25 transmitting, or causing to be transmitted, by means of wire communication in interstate or foreign  
26 commerce, writings, signs, signals, pictures, videos and sounds, and also causing matters and  
27 things to be placed in a post office or authorized depository, or depositing or causing to be  
28

1 deposited matters or things to be sent or delivered by a private or commercial interstate carrier,  
2 including, but not limited to, the following:

- 3 a. Advertisements broadcast over TV, radio, and Internet wire mediums in California  
4 and throughout the country that contained material misrepresentations and  
5 omissions regarding Defendants’ purpose and use of donation proceeds;
- 6 b. Telephone calls, emails, and online communications between Kars4Kids and Class  
7 members, including Plaintiff, regarding vehicle donations and processing of vehicle  
8 donations;
- 9 c. Communications by wire or mail between Kars4Kids and Class members,  
10 including Plaintiff, regarding the amount of potential tax deductions donors can  
11 claim for their donations and/or a travel voucher for a three-day, two-night  
12 “vacation” stay;
- 13 d. Emails, telephone calls, and other communications by wire or mail between  
14 Kars4Kids and third-party auction houses, scrapyards, and towing companies  
15 regarding the retrieval, storage and sale of donated vehicles;
- 16 e. Funds transferred to Kars4Kids by wire or mail from third party auction houses and  
17 scrapyards for the sale of donated vehicles;
- 18 f. Emails, telephone calls, and other communications by wire or mail between and  
19 among each of the Defendants facilitating the transfer of donation proceeds from  
20 Kars4Kids to Oorah, and otherwise promoting or furthering the scheme to defraud;
- 21 g. Funds transferred by wire or mail from Kars4Kids to Oorah, with the intent that the  
22 funds be used for purposes misrepresented and omitted in Kars4Kids’ solicitation  
23 ads; and
- 24 h. Funds transferred by wire or mail between and among the Defendants and third  
25 parties, with the intent that those funds be used to promote, conduct, or engage in  
26 the Defendants’ criminal activities, or otherwise promote or further the scheme to  
27 defraud, with or without those third parties’ knowledge of the true purpose of those  
28 transactions.



1                   **3. Injury and Causation**

2           113. As described throughout this Complaint, Defendants’ material misrepresentations and  
3 omissions have caused Plaintiff and the Class substantial damages and loss of property. The  
4 damages to Plaintiff and the Class were foreseeable, contemplated and intended by Defendants.

5           114. As a direct and proximate result of Defendants’ misleading and deceptive advertising,  
6 Plaintiff and Class members have suffered injury in fact and have lost money or property from  
7 their vehicle donations. As alleged herein, Plaintiff would not have donated his vehicles to  
8 Kars4Kids had he known the truth about Defendants’ scheme and suffered injury in fact and lost  
9 money or property because of Defendants’ conduct. Plaintiff suffered his injuries at the time he  
10 donated his vehicles under false pretenses, as well as when Kars4Kids transferred and/or used the  
11 proceeds from his vehicle donations for purposes other than those represented. Class members  
12 have been similarly injured by Defendants’ misrepresentations and omissions.

13           115. Defendants’ representations were material to Plaintiff’s and Class members’ decisions to  
14 donate to Kars4Kids, and a reasonable person would attach importance to the truth or falsity of  
15 Defendants’ representations in determining whether to donate a vehicle to Kars4Kids. Plaintiff and  
16 Class members reasonably relied on Kars4Kids’ misleading ads, including the misrepresentations  
17 and omissions set forth herein, and donated their vehicles to Kars4Kids with the expectation that  
18 funds received therefrom would be used to help needy or disadvantaged children generally, locally,  
19 and nationwide, without regard to any racial, ethnic or religious affiliation. Plaintiff and Class  
20 members made donations that they would not have otherwise made had they been adequately  
21 informed or aware that Defendants’ representations were false or misleading. At the very least,  
22 they could have made an informed decision about the disposition of their property.

23           116. Plaintiff and Class members have been and will continue to be injured by Defendants’  
24 violations of 18 U.S.C. § 1962(c), in an amount to be determined at trial. Plaintiff’s and Class  
25 members’ injuries are directly, proximately, and reasonably foreseeably resulting from or caused  
26 by these violations of 18 U.S.C. 1862(c) and include, but are not limited to, hundreds of millions  
27 of dollars in proceeds from Kars4Kids’ sale of donated vehicles, lost property and opportunities,  
28 and attorneys’ fees and costs.

1 117. Pursuant to 18 U.S.C. § 1964(c), Plaintiff and the Class are entitled to recover treble  
2 damages, costs, and attorneys’ fees from Defendants. The Court should also enter such equitable  
3 relief as it deems just and proper to prohibit Defendants’ further fraudulent conduct.

4 **SECOND CAUSE OF ACTION**  
5 **Conspiracy to Violate RICO**  
6 **18 U.S.C. § 1962(d)**  
7 **(Against all Defendants)**

8 118. Plaintiff incorporates all preceding and subsequent paragraphs by reference as if set forth  
9 fully herein.

10 119. Plaintiff brings this claim against Defendants individually and on behalf of a nationwide  
11 Class under RICO, 18 U.S.C. § 1962(d).

12 120. Defendants have unlawfully, knowingly, and willfully combined, conspired, and agreed  
13 together to violate 18 U.S.C. § 1962(c) as described above, in violation of 18 U.S.C. § 1962(d).

14 121. By and through Defendants’ close business relationships with one another, and their close  
15 coordination with each other in the affairs of the Enterprise, each Defendant knew the nature of  
16 the Enterprise and that it existed beyond the Defendant’s individual role.

17 122. Oorah initially created Kars4Kids and its misleading ads as part of its own internal  
18 fundraising arm for the purpose of soliciting vehicle donations to fund its operations and orthodox  
19 “outreach” activities. In 2000, Oorah and its CEO, Mintz, created a separate “charity,” also run by  
20 Mintz, to oversee and broadcast the deceptive ads, initially under JOY and later under Kars4Kids  
21 Inc. Despite this purported separation, Kars4Kids has continued to “serve[] as the fundraising arm  
22 on behalf of Oorah,” funneling over 99% of its purported charitable spending to Oorah. While not  
23 disclosed in their ads, Defendants also continue to share the same headquarters, office space,  
24 President and CEO, administrative staff, and common purpose – to “fund[] Oorah.”

25 123. Through these connections and coordination, each Defendant knew that, together, they  
26 were engaged in a conspiracy to commit predicate acts, and that the predicate acts were part of a  
27 pattern of racketeering activity, and each agreed to pursue the same criminal objective.

28 124. Each Defendant agreed to, and did, facilitate, conduct, and participate in the conduct,  
management, or operation of the Enterprise’s affairs through a pattern of racketeering activity in

1 violation of 18 U.S.C. § 1962(c). The participation and agreement of each Defendant was  
 2 necessary to allow the commission of this pattern of racketeering activity. Each Defendant was a  
 3 knowing, willing, and active participant in the Enterprise and its affairs, and each of the Defendants  
 4 shared a common purpose, namely, the orchestration, planning, perpetration, and execution of the  
 5 scheme to defraud Plaintiff and Class members into donating their vehicles under false pretenses  
 6 for the purpose of funding Oorah. In the absence of agreement, the Enterprise could not have  
 7 operated as it did. Additional evidence of Defendants' agreement is particularly within their  
 8 control.

9 125. Plaintiff and the Class have been and will continue to be injured by reason of Defendants'  
 10 violations of 18 U.S.C. §§ 1962(c) and (d), in an amount to be determined at trial. The injuries to  
 11 Plaintiff and the Class are directly, proximately, and reasonably foreseeably resulting from or  
 12 caused by these violations and include, but are not limited to, millions of dollars in proceeds from  
 13 Kars4Kids' sale of donated vehicles, lost property and opportunities, and attorneys' fees and costs.

14 126. Pursuant to 18 U.S.C. § 1964(c), Plaintiff and the Class are entitled to recover treble  
 15 damages, plus costs and attorneys' fees from Defendants. The Court should also enter such  
 16 equitable relief as it deems just and proper to prohibit Defendants' further fraudulent conduct.

17 **THIRD CAUSE OF ACTION**  
 18 **Violation of the California False Advertising Law**  
 19 **Cal. Bus. & Prof. Code § 17500 *et seq.***  
 20 **(Against all Defendants)**

21 127. Plaintiff incorporates all preceding and subsequent paragraphs by reference as if set forth  
 22 fully herein.

23 128. Plaintiff brings this claim individually and on behalf of the California sub-class under  
 24 California's False Advertising Law, Cal. Bus. & Prof. Code § 17500 *et seq.*

25 129. Pursuant to Cal. Bus. & Prof. Code § 17500 *et seq.*, it is unlawful to engage in advertising,  
 26 including when made with the intent of soliciting charitable donations, "which is untrue or  
 27 misleading, and which is known, or which by the exercise of reasonable care should be known, to  
 28 be untrue or misleading . . ."

1 130. Defendants violated § 17500 *et seq.*, as described herein, through Kars4Kids’ misleading  
2 and deceptive ads in California for the solicitation of charitable vehicle donations. Kars4Kids’ ads  
3 are, by design, intended to mislead potential donors to believe that Kars4Kids will use their  
4 donations to benefit needy or disadvantaged children in California, without regard to any particular  
5 racial, ethnic, or religious affiliation. These representations are misleading and deceptive because  
6 they fail to inform donors that, instead, Kars4Kids uses their donations almost exclusively to: (i)  
7 fund Oorah and its orthodox “outreach” activities; (ii) benefit non-California residents of only one  
8 religion; and (iii) fund Kars4Kids’ and Oorah’s significant expenses and investments. Defendants’  
9 acts and omissions are likely to deceive, and have in fact deceived, the general donating public.

10 131. Kars4Kids runs its deceptive advertising campaign to solicit charitable vehicle donations  
11 on radio and TV stations and the Internet throughout California such that the vast majority of  
12 California residents who donate are exposed to the same or similar misleading and deceptive ads.

13 132. Defendants knew, or by the exercise of reasonable care should have known, that their  
14 representations and omissions were untrue and misleading, and deliberately made the  
15 misrepresentations and omissions to deceive reasonable donors like Plaintiff and the California  
16 sub-class members. Since at least 2009 and as recently as 2021, Defendants have been acutely  
17 aware that their Kars4Kids’ ads were, by design, deceiving and misleading reasonable donors  
18 based on multiple state attorney general investigations, settlements and other civil actions relating  
19 to the misleading nature of their ads.

20 133. Defendants engaged in these misleading and deceptive advertising practices to increase  
21 their donation revenues for the purpose of funding Oorah. Defendants knew that Kars4Kids would  
22 receive significantly less vehicle donations, and Oorah significantly less funding for its orthodox  
23 “outreach” activities, if donors knew the truth about Defendants’ purpose and use of their  
24 donations.

25 134. As a direct and proximate result of Defendants’ misleading and deceptive advertising,  
26 Plaintiff and the California sub-class members have suffered injury in fact and have lost money or  
27 property from their vehicle donations. As alleged herein, Plaintiff would not have donated his  
28 vehicles to Kars4Kids had he known the truth about Defendants’ scheme and suffered injury in

1 fact and lost property or money because of Defendants' conduct. Plaintiff suffered his injuries at  
2 the time he donated his vehicles under false pretenses, as well as when Kars4Kids transferred the  
3 funds to Oorah and/or used the proceeds from his vehicle donations for purposes other than those  
4 represented. The California sub-class members have been similarly injured by Defendants'  
5 misrepresentations and omissions.

6 135. Defendants' representations were material to Plaintiff's and the California sub-class  
7 members' decisions to donate to Kars4Kids, and a reasonable person would have attached  
8 importance to the truth or falsity of Defendants' representations in determining whether to donate  
9 their vehicle to Kars4Kids. Plaintiff and the California sub-class members reasonably relied on  
10 Kars4Kids' misleading ads, including the misrepresentations and omissions set forth above, and  
11 donated their vehicles to Kars4Kids with the expectation that funds received therefrom would be  
12 used to help needy or disadvantaged children generally, particularly in California. Plaintiff and the  
13 California sub-class members made donations that they would not have otherwise made had they  
14 been adequately informed or aware that these representations were false. At the very least, they  
15 could have made an informed decision about the disposition of their property.

16 136. **Conspiracy:** Defendants conspired to commit the FAL violations alleged herein.  
17 Defendants agreed together to commit and benefit from these wrongful acts and intended that these  
18 wrongful acts be committed. Such an agreement is implied by Defendants' conduct and can be  
19 inferred from the nature of the acts performed.

20 137. Oorah initially created Kars4Kids and its misleading ads as part of its internal fundraising  
21 arm for the purpose of soliciting vehicle donations to fund its operations and orthodox "outreach"  
22 activities. In 2000, Oorah and its CEO, Mintz, created a separate "charity," also run by Mintz, to  
23 oversee and broadcast the deceptive ads, initially under JOY and later under Kars4Kids Inc.  
24 Despite this purported separation, Oorah and Kars4Kids continued to share the same headquarters,  
25 office space, President and CEO, administrative staff, and common purpose – to "fund[] Oorah."  
26 Defendants agreed and conspired for Kars4Kids to continue broadcasting misleading and  
27 deceptive ads for the solicitation of vehicle donations and, through these ads, to continue to  
28

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1 “serve[] as the fundraising arm on behalf of Oorah,” funneling over 99% of its purported charitable  
2 spending to Oorah to fund its narrow religious mission, operations and investments.

3 138. Through these connections and coordination, each Defendant knew that, together, they  
4 were engaged in a conspiracy to disseminate false and misleading ads in violation of FAL, and  
5 each agreed to pursue this common objective. Each Defendant agreed to, and did, facilitate,  
6 conduct, and participate in the conspiracy. The participation and agreement of each Defendant was  
7 necessary to perpetuate the misleading and deceptive advertising alleged herein. Each Defendant  
8 was a knowing, willing, and active participant in the conspiracy, and each Defendant shared a  
9 common purpose, namely, the orchestration, planning, perpetration, and execution of the scheme  
10 to defraud Plaintiff and the California sub-class members into donating their vehicles under false  
11 pretenses for the purpose of funding Oorah. In the absence of agreement, the conspiracy could not  
12 have operated as it did. Additional evidence of Defendants’ agreement is particularly within their  
13 control.

14 139. Plaintiff and the California sub-class members have been and will continue to be injured  
15 by reason of Defendants’ FAL violations, in an amount to be determined at trial. The injuries to  
16 Plaintiff and the California sub-class are directly, proximately, and reasonably foreseeably  
17 resulting from or caused by these violations and include, but are not limited to, millions of dollars  
18 in proceeds from Kars4Kids’ sale of donated vehicles, lost property and opportunities, and  
19 attorneys’ fees and costs.

20 140. Pursuant to Cal. Bus. & Prof. Code § 17535, Plaintiff and the California sub-class are  
21 entitled to restitution and injunctive relief from Defendants. The Court should also enter such  
22 equitable relief as it deems just and proper to prohibit Defendants’ further fraudulent conduct.

23 **FOURTH CAUSE OF ACTION**  
24 **Violation of the California Unfair Competition Law**  
25 **Cal. Bus. & Prof. Code § 17200 *et seq.***  
**(Against all Defendants)**

26 141. Plaintiff incorporates all preceding and subsequent paragraphs by reference as if set forth  
27 fully herein.

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1 142. Plaintiff brings this claim individually and on behalf of the California sub-class under  
2 California’s Unfair Competition Law (“UCL”), Cal. Bus. & Prof. Code § 17200 *et seq.*

3 143. The UCL prohibits “unfair competition,” which includes “any unlawful, unfair or  
4 fraudulent business act or practice and unfair, deceptive, or untrue or misleading advertising and  
5 any act prohibited by Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the  
6 Business and Professions Code.”

7 **1. Defendants’ “Unfair” and “Fraudulent” Business Acts and Practices**

8 144. Defendants committed “unfair” and “fraudulent” business acts or practices by, among  
9 other things: (1) engaging in conduct where the utility of such conduct, if any, is outweighed by  
10 the gravity of the consequences to Plaintiff and the California sub-class members; (2) engaging in  
11 conduct that is immoral, unethical, oppressive, unscrupulous, or substantially injurious to Plaintiff  
12 and the California sub-class members; and (3) engaging in conduct that undermines or violates the  
13 spirit or intent of the consumer protection laws alleged in this Complaint.

14 145. The utility of Defendants’ conduct as described herein is nonexistent. There is no utility  
15 to deceiving and misleading potential donors as to a charity’s true purpose and use donation  
16 proceeds. The harm to potential donors caused by this conduct, by contrast, is significant.  
17 Defendants’ conduct described herein not only deprived donors of the ability to make informed  
18 decisions about their property, but also caused them to donate their vehicles to Kars4Kids under  
19 false pretenses and, thereby, unwittingly support a separate, undisclosed organization – Oorah –  
20 and its promotion of orthodox ideology in a limited geographic area. Defendants’ conduct deprived  
21 donors of both their property and alternative options for their donations.

22 146. Defendants’ conduct as described in this Complaint is also immoral, unethical,  
23 oppressive, and unscrupulous, as well as substantially injurious to Plaintiff and the California sub-  
24 class. This is particularly evidenced by the ongoing nature of Defendants’ scheme, despite multiple  
25 prior actions by state attorney generals against Defendants for this same or similar conduct in other  
26 states.

27 147. Defendants’ conduct as described in this Complaint also offends established public  
28 policies. As detailed herein, Defendants’ unfair and fraudulent practices include disseminating

1 misleading and deceptive advertisements for the solicitation of charitable vehicle donations and  
2 using those donations for misrepresented and undisclosed purposes. Defendants' conduct violated  
3 numerous civil statutes, as described further herein. Those statutes exist for a reason: to protect  
4 consumers from unfair marketing practices. Such protections are especially important here, where  
5 a purported "charity" deceives unwitting donors into relinquishing control over their money or  
6 property.

## 7 **2. Defendants' "Unlawful" Business Acts and Practices**

8 148. Defendants' conduct as described in this Complaint was, and continues to be, unlawful.  
9 The law violations set forth herein serve as predicate violations under the UCL.

10 149. As detailed in Count Three and incorporated herein, Defendants' conduct violated  
11 California's FAL, Cal. Bus. & Prof. Code § 17500 *et seq.*

12 150. As detailed in Counts One and Two and incorporated herein, Defendants' conduct  
13 violated RICO, 18 U.S.C. § 1961 *et seq.*

14 151. As detailed in Counts One and Two and incorporated herein, Defendants committed and  
15 conspired to commit multiple counts of wire fraud in violation of 18 U.S.C. § 1343.

16 152. As detailed in Counts One and Two and incorporated herein, Defendants committed and  
17 conspired to commit multiple counts of mail fraud in violation of 18 U.S.C. § 1341.

18 153. Defendants' conduct also violated Cal. Govt. Code § 12599.6, which prohibits charitable  
19 organizations and commercial fundraisers for charitable purpose from misrepresenting "the  
20 purpose of the charitable organization or the nature or purpose or beneficiary of a solicitation"  
21 through "words or conduct or failure to disclose a material fact." It also prohibits the use of "any  
22 unfair or deceptive acts or practices or engaging in any fraudulent conduct that creates a likelihood  
23 of confusion or misunderstanding," and "representing directly or by implication that a charitable  
24 organization will receive an amount greater than the actual net proceeds reasonably estimated to  
25 be retained by the charity for its use."

26 154. As detailed in Count Three and throughout this Complaint, Kars4Kids disseminated  
27 misleading and deceptive ads in California for the solicitation of charitable vehicle donations.  
28 Kars4Kids' ads are, by design, intended to mislead potential donors to believe that their donation



1 will be used by Kars4Kids to benefit needy or disadvantaged children in California, without regard  
2 to any particular racial, ethnic, or religious affiliation. These representations are misleading and  
3 deceptive because they fail to inform donors that, instead, their donations are used almost  
4 exclusively to: (i) fund Oorah and its orthodox “outreach” activities; (ii) benefit non-California  
5 residents of only one religion; and (iii) fund Kars4Kids’ and Oorah’s significant operations and  
6 investments.

7 155. Defendants’ conduct also violated Cal. Bus. & Prof. Code §§ 17510.3 and 17510.4,  
8 which require that, after a charitable donation is made in California, a “solicitation or sale for  
9 charitable purposes card shall be mailed to or otherwise delivered to the donor.” The card must  
10 contain certain information, including “[t]he name and address of the combined campaign, each  
11 organization, or fund on behalf of which all or any party of the money collected will be utilized  
12 for charitable purposes,” or, “[i]f there is no organization or fund, the manner in which the money  
13 collected will be utilized for charitable purposes.” The receipts Kars4Kids mailed to donors post-  
14 donation failed to include this required information and, instead, furthered Defendants’ scheme to  
15 defraud by failing to disclose that donation proceeds would be used to fund Oorah and its  
16 geographically limited orthodox “outreach” activities and Kars4Kids’ and Oorah’s significant  
17 expenses and investments.

### 18 **3. Defendants’ Misleading and Deceptive Advertising**

19 156. As detailed in Count Three and throughout this Complaint, Defendants disseminated  
20 misleading and deceptive ads in California for the solicitation of charitable vehicle donations.  
21 Kars4Kids’ ads are designed to make potential donors believe that their donation will be used by  
22 Kars4Kids to benefit needy or disadvantaged children in California, without regard to any racial,  
23 ethnic, or religious affiliation. These representations are misleading and deceptive because they  
24 fail to inform donors that, in fact, their donations are instead used almost exclusively to: (i) fund  
25 Oorah and its orthodox “outreach” activities; (ii) benefit non-California residents of only one  
26 religion; and (iii) fund Kars4Kids’ and Oorah’s significant operations and investments.

27 157. Kars4Kids broadcasts its deceptive advertising campaign to solicit charitable vehicle  
28 donations on radio, TV, and Internet stations throughout California such that the vast majority of

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1 California residents who donate are exposed to the same or materially similar misleading and  
2 deceptive ads.

3 158. Defendants knew, or by the exercise of reasonable care should have known, that their  
4 representations and omissions were deceptive and misleading, and deliberately made the  
5 misrepresentations and omissions to deceive reasonable donors like Plaintiff and the California  
6 class members. Since at least 2009 and as recently as 2021, Defendants have been acutely aware  
7 that their Kars4Kids’ ads were, by design, deceiving and misleading reasonable donors based on  
8 multiple state attorney general investigations, settlements and other civil actions relating to the  
9 misleading nature of their ads.

10 159. There were reasonable alternatives to further Defendants’ legitimate business interests  
11 other than the conduct described herein. For example, Kars4Kids could have corrected its  
12 misrepresentations by disclosing in its advertisements its true purpose and use of donation  
13 proceeds – to fund Oorah and its narrow religious purpose. Indeed, Kars4Kids was already  
14 required to change its advertisements in Pennsylvania and Oregon to include similar disclosures  
15 pursuant to Defendants’ settlements with those states’ attorney generals.

16 160. Defendants engaged in these misleading and deceptive advertising practices to increase  
17 their donation revenues. Defendants knew that Kars4Kids would receive significantly less vehicle  
18 donations, and Oorah significantly less funding for its orthodox “outreach” activities, if donors  
19 knew the truth about Defendants’ scheme and use of their donations.

20 161. As a direct and proximate result of Defendants’ misleading and deceptive advertising,  
21 Plaintiff and the California sub-class members have suffered injury in fact and have lost money or  
22 property from their vehicle donations. As alleged herein, Plaintiff would not have donated his  
23 vehicles to Kars4Kids had he known the truth about Defendants’ scheme and suffered injury in  
24 fact and lost money or property because of Defendants’ conduct. Plaintiff suffered his injuries at  
25 the time he donated his vehicles under false pretenses, as well as when Kars4Kids transferred the  
26 proceeds to Oorah and/or used the proceeds from his vehicle donations for purposes other than  
27 those represented. California sub-class members have been similarly injured by Defendants’  
28 misrepresentations and omissions.

1 162. Defendants’ representations were material to Plaintiff’s and the California sub-class  
2 members’ decisions to donate to Kars4Kids, and a reasonable person would attach importance to  
3 the truth or falsity of Defendants’ representations in determining whether to donate a vehicle to  
4 Kars4Kids. Plaintiff and the California sub-class members reasonably relied on Kars4Kids’  
5 misleading ads, including the misrepresentations and omissions set forth above, and donated their  
6 vehicles to Kars4Kids with the expectation that funds received therefrom would be used to help  
7 needy or disadvantaged children generally, particularly in California. Plaintiff and the California  
8 sub-class members made donations that they would not have otherwise made had they been  
9 adequately informed or aware that Defendants’ representations were false. At the very least, they  
10 could have made an informed decision about the disposition of their property.

11 163. The unfair, unlawful, and fraudulent competitive practices described herein present a  
12 continuing threat to Plaintiff and the California sub-class members in that Defendants persist and  
13 continue to engage in these practices and will not cease doing so unless and until forced to do so  
14 by this Court. Defendants’ conduct will continue to cause irreparable injury to consumers unless  
15 enjoined or restrained. Under California Business & Professions Code § 17203, Plaintiff is entitled  
16 to injunctive relief ordering Defendants to cease their unfair competitive practices, and Plaintiff  
17 and the California sub-class members are entitled to restitution of the entirety of Defendants’  
18 revenues associated with their unlawful acts and practices, or such portion of those revenues as the  
19 Court may find equitable.

20 164. **Conspiracy:** Defendants conspired to commit the UCL violations alleged herein.  
21 Defendants agreed together to commit and benefit from these wrongful acts and intended that these  
22 wrongful acts be committed. Such an agreement is implied by Defendants’ conduct and can be  
23 inferred from the nature of the acts performed.

24 165. Oorah initially created Kars4Kids and its misleading jingle as part of its internal  
25 fundraising arm for the purpose of soliciting vehicle donations to fund its operations and narrow  
26 religious mission. In 2000, Oorah and its CEO, Mintz, created a separate “charity,” also run by  
27 Mintz, to oversee and broadcast the deceptive ads, initially under JOY and later under Kars4Kids  
28 Inc. Despite this purported separation, Oorah and Kars4Kids continued to share the same

1 headquarters, office space, President and CEO, administrative staff, and common purpose – to  
2 “fund[] Oorah.” Defendants agreed and conspired for Kars4Kids to continue broadcasting  
3 misleading and deceptive ads for the solicitation of vehicle donations and, through these ads, to  
4 continue to “serve[] as the fundraising arm on behalf of Oorah,” funneling over 99% of its  
5 purported charitable spending to Oorah to fund its narrow religious mission, operations and  
6 investments.

7 166. Through these connections and coordination, each Defendant knew that, together, they  
8 were engaged in a conspiracy to disseminate false and misleading ads in violation of the UCL, and  
9 each agreed to pursue this common objective. Each Defendant agreed to, and did, facilitate,  
10 conduct, and participate in the conspiracy. The participation and agreement of each Defendant was  
11 necessary to perpetuate the misleading and deceptive advertising and UCL violations alleged  
12 herein. Each Defendant was a knowing, willing, and active participant in the conspiracy, and each  
13 Defendant shared a common purpose, namely, the orchestration, planning, perpetration, and  
14 execution of the scheme to defraud Plaintiff and the California sub-class members into donating  
15 their vehicles under false pretenses for the purpose of funding Oorah. In the absence of agreement,  
16 the conspiracy could not have operated as it did. Additional evidence of Defendants’ agreement is  
17 particularly within their control.

18 167. Plaintiff and the California sub-class members have been and will continue to be injured  
19 by reason of Defendants’ UCL violations, in an amount to be determined at trial. The injuries to  
20 Plaintiff and the California sub-class are directly, proximately, and reasonably foreseeably  
21 resulting from or caused by these violations and include, but are not limited to, millions of dollars  
22 in proceeds from Kars4Kids’ sale of donated vehicles, lost property and opportunities, and  
23 attorneys’ fees and costs.

24 168. Pursuant to Cal. Bus. & Prof. Code §§ 17203 and 17204, Plaintiff and the California sub-  
25 class are entitled to restitution and injunctive relief from Defendants. The Court should also enter  
26 such equitable relief as it deems just and proper to prohibit Defendants’ further fraudulent conduct.  
27  
28

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**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff, individually and on behalf of all others similarly situated, respectfully requests that this Court:

- A. Determine that the claims alleged herein may be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure, and issue an order certifying the Class and Sub-Class defined above, appointing Plaintiff as representative of the Classes, and designating his attorneys as Class Counsel;
- B. Grant injunctive relief and/or declaratory relief, as permitted by law or equity, including an order prohibiting Defendants from engaging in the unfair, fraudulent, and unlawful acts described above;
- C. Award to Plaintiff and Class members restitution and/or other equitable relief, including without limitation disgorgement of all revenues, profits, and unjust enrichment that Defendants obtained from Plaintiff and the Classes as a result of their unlawful, unfair, and deceptive business practices described herein;
- D. Award Plaintiff and Class members treble damages for the amount of damages they have sustained, plus the cost of this suit, including reasonable attorneys’ fees pursuant to 18 U.S.C. §§ 1964(c) and (d);
- E. Award post-judgment interest on such monetary relief;
- F. Award reasonable attorneys’ fees and costs; and
- G. Grant such further relief that this Court deems appropriate.

**JURY DEMAND**

Plaintiff, individually and on behalf of the putative Classes, demands a trial by jury on all issues so triable.

Respectfully submitted,

Dated: April 23, 2024

**KELLER GROVER LLP**

By:  /s/ Eric A. Grover  
ERIC A. GROVER  
*Attorneys for Plaintiff*

# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Kars4Kids Lawsuit Accuses Charity of Using Deceptive Ads to Solicit Donations for 'Misrepresented Purposes'](#)

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