

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

VORTEX, INC.,

Plaintiff,

v.

THE PARTNERSHIPS and
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE “A,”

Defendants.

Case No. 1:22-CV-04189

The Honorable Gary Feinerman

**PLAINTIFF’S MEMORANDUM IN SUPPORT OF ITS
MOTION FOR WRIT OF EXECUTION**

Plaintiff Vortex, Inc. (“Plaintiff” or “Vortex”), submits the following memorandum of law in support of its Motion for Writ of Execution.

I. INTRODUCTION

In accordance with Fed. R. Civ. P. 69(a) and 735 Ill. Comp. Stat. 5/2-1402 and further to the Court’s \$200,000.00 judgment entered against each of the Defendants on December 15, 2022, Plaintiff respectfully moves for an order compelling third-party payment processor, Alipay to immediately turn over to Plaintiff at least \$32,316.60 (the amount Alipay has represented is currently frozen in Defendants’ Alipay accounts) and up to the amount of judgment, from at least Defendants’ Alipay accounts identified herein.

II. FACTUAL BACKGROUND

A. Action For Infringement and Counterfeiting

Vortex filed this action on August 9, 2022. Complaint [Dkt. No. 1]. On August 18, 2022, this Court granted Vortex’s Ex Parte Motion for Entry of a Temporary Restraining Order (the “TRO”) [Dkt. No. 20], subsequently extended the TRO [Dkt. No. 26], and entered an Order granting Vortex’s Motion for a Preliminary Injunction [Dkt. Nos. 29, 40].

The Defendants were properly served on October 17, 2022. *See* Declaration of Jeff Leung (the “Leung Declaration”) at ¶ 2. None of the Defendants filed an answer or responsive pleading in this action. *See* Leung Declaration at ¶ 3.

Paragraph 7 of the Preliminary Injunction Order (the “PI Order”) directed:

All third-party payment processors, including, without limitation, UmPay, PayEco, AllPay, Payoneer, PayPal, LianLian Pay, PingPong, ***Alipay***, and/or JPMorgan Chase & Co., banks, savings and loan associations, or other financial institutions connected to online marketplace accounts or Defendants’ websites shall within five (5) business days of receipt of this Order:

a. Locate and identify all financial accounts and funds connected to Defendants, Defendants’ online marketplace accounts or Defendants’ websites, including, but not limited to, any accounts connected to the information listed in Schedule A hereto; and

b. Restrain and enjoin such accounts from receiving, transferring or disposing of any money or other of Defendants’ assets until further ordered by this Court.

c. Provide Plaintiff’s counsel with all data which details (i) an accounting of the total funds restrained and identifies the financial account(s) which the restrained funds are related to, and (ii) the account transactions related to all funds transmitted into the financial account(s) which have been restrained. Such restraining of the funds and the disclosure of the related financial institution account information shall be made without notice to the account owners until after those accounts are restrained. No funds restrained by this Order shall be transferred or surrendered for any purpose (other than pursuant to a chargeback made pursuant to the payment processor’s security interest in the funds) without the express authorization of this Court.

(emphasis added).

The PI Order further provides that “[a]ny Defendants or third parties that are subject to this Order may appear and move to dissolve or modify the Order on two days’ notice to Plaintiff or on shorter notice as set by this Court. *Id.* at ¶ 10.

On December 15, 2022, this Court entered an Amended Final Judgment Order [Dkt. No. 51]. Paragraph 8 of the Order requires that:

All monies, up to the above identified statutory damages award, in Defaulting Defendants’ financial accounts, including monies held by Third Party Providers, such as PayPal, Alipay, Alibaba, Ant Financial, Wish, DHgate, and Amazon Pay, ***are hereby released to Vortex*** as partial payment of the above-identified damages, and Third Party Providers, including

PayPal, *Alipay*, Alibaba, Ant Financial, Wish, and Amazon Pay, are *ordered to unconditionally release to Vortex the amounts from Defaulting Defendants' financial accounts along with an accounting of all amounts released within ten (10) business days of receipt of this Order.*

Amended Final Judgment Order [Dkt. No. 51] at ¶ 8 (emphasis added). The Amended Final Judgment Order further requires that

Upon receipt of this Order, Third Party Providers, including PayPal, Alipay, Alibaba, Ant Financial, Wish, DHgate, and Amazon Pay, shall within ten(10) business days:

a. locate all accounts and funds connected to Defaulting Defendants' Seller Aliases and Online Marketplaces, including, but not limited to, any financial accounts connected to the information listed in Schedule A hereto and any e-mail addresses provided for Defaulting Defendants by third parties;

b. restrain and enjoin such accounts or funds from transferring or disposing of any money or other of Defaulting Defendants' assets; and

c. release all monies, up to the above identified statutory damages award, restrained in Defaulting Defendants' financial accounts to Vortex as partial payment of the above-identified damages within ten (10) business days of receipt of this Order.

Id. at ¶ 9 (emphasis added).

B. Jurisdiction Over Defendants

Through the fully interactive, e-commerce stores operating under the seller aliases identified on Schedule A to the Complaint (collectively, the "Seller Aliases"), each of the Defendants has targeted sales from Illinois residents by setting up and operating e-commerce stores that target United States consumers using one or more Seller Aliases, offering shipping to the United States, including Illinois, accepting payment in U.S. dollars, and, on information and belief, has sold counterfeit products and/or products which infringe upon Plaintiff's numerous trademark registrations in the United States for marks related to The Texas Chainsaw Massacre films (the "TCM Films") and products (the "TCM Marks") and/or Plaintiff's copyright registrations encompassing works constituting or related to the TCM Films (the "TCM Copyrights") by selling and/or offering for sale unauthorized, unauthentic, and counterfeit products in connection with the TCM Marks and/or TCM Copyrights ("the Counterfeit Products") to consumers in the United

States, including the State of Illinois. Complaint [Dkt. No. 1] at ¶ 3.

C. Jurisdiction Over Alipay

Third-party platform provider Alipay was served with notice of this action since at least September 6, 2022, *see* Leung Decl. at ¶ 4, and was served with the TRO at least since September 12, 2022, *id.* at ¶ 5.

On or around September 27, 2022, counsel for Alipay contacted counsel for Vortex. *Id.* at ¶ 6. On September 28, 2022, Alipay’s counsel confirmed, among other things, that “Alipay will freeze each Defendant’s accounts [*sic*] for which, in Alipay’s judgment, the review confirms there exists reasonable evidentiary support for plaintiff’s claims against that Defendant. Alipay will immediately notify Plaintiff of the accounts it has frozen.” *Id.* at ¶ 7.

On October 13, 2022, Alipay’s counsel confirmed that “[t]he account freeze was completed” and provided a report of the amounts frozen. *Id.* at ¶ 8.

On October 24, 2022, Alipay was served through its counsel with the PI Order. *Id.* at ¶ 9.

On December 2, 2022, Alipay’s counsel sent Vortex’s counsel an email identifying accounts for which Alipay had not frozen funds, contending (erroneously) that Vortex had not provided evidence of infringement for those accounts. *Id.* at ¶ 10.

On December 6, 2022, Vortex’s counsel responded to Alipay’s December 2 email, explaining “Plaintiff’s Schedule A provides all the necessary information, including evidence of infringement **for each of the Defendants**” *Id.* at ¶ 11 (emphasis in original). Vortex’s counsel explained that Alipay’s counsel may have overlooked URL links that previously provided evidence of infringement. *Id.* To facilitate the freezing of additional Defendants’ accounts, Vortex’s counsel provided a PDF of screenshots of the evidence of infringement despite already having provided such information to Alipay in the form of URL links. *See id.*

On December 9, 2022, Alipay’s counsel responded: “Thank you for this. Alipay has started the funds freezing process for these defendants.” *Id.* at ¶ 12.

On December 13, 2022, Alipay’s counsel provided a spreadsheet containing financial information for Defendants in connection with their accounts on Alibaba and AliExpress and

advised that “for the defendants listed in the spreadsheet, Alipay has frozen the funds in their associated Alipay accounts.” *Id.* at ¶ 13. Based on the spreadsheet provided by Alipay’s counsel, Vortex is informed and believes that at least \$32,316.60 has been frozen in Alipay accounts. *Id.* at ¶ 15.

As discussed above, this Court entered an Amended Final Judgment Order on December 15, 2022, and on December 21, 2022, Vortex served Alipay through its counsel with the Amended Final Judgment Order. *Id.* at ¶ 15.

From December 28, 2022, through December 29, 2022, Vortex’s counsel and Alipay’s counsel communicated telephonically and over electronic mail regarding Alipay’s compliance with the Amended Final Judgment Order – in particular, about Alipay’s refusal to comply with this Court’s order that Alipay “unconditionally release to Vortex the amounts from Defaulting Defendants’ financial accounts along with an accounting of all amounts released within ten (10) business days of receipt of [the] Order.” *Id.* at ¶ 16 (quoting the Amended Final Judgment Order at ¶ 8).

On January 13, 2023, Alipay’s counsel sent a letter to Vortex’s counsel, raising issues of service (for the first time since counsel began corresponding in September 2022), personal jurisdiction, and international comity.¹ *Id.* at ¶ 17.

On February 2, 2023, Vortex’s counsel sent a letter to Alipay’s counsel, responding to the

¹ There is no conflict with international law necessitating a comity analysis before enforcing this Court’s Orders against Alipay. Comity is not a jurisdictional requirement, but, as the court in *Leibovitch* explained, it “refers instead to the ‘spirit of cooperation in which a domestic tribunal approaches the resolution of cases touching the laws and interests of other sovereign states.’” 188 F.Supp.3d at 757 (quoting *Société Nationale Industrielle Aérospatiale v. U.S. Dist. Ct. for the S. Dist. of Iowa*, 482 U.S. 522, 543 n. 27 (1987)).

“It need hardly be stated that the United States itself has a powerful interest in enforcing the acts of Congress, especially those, such as the Lanham Act, that are designed to protect intellectual property rights and prevent consumer confusion.” *Gucci Am. v. Li*, No. 10-cv-4974, 2011 WL 6156936, at *11 (S.D.N.Y. Aug. 23, 2011) (Sullivan, J.), vacated on other grounds 768 F.3d 122 (2d Cir. 2014); *see also Licci ex rel. Licci v. Lebanese Canadian Bank, SAL*, 732 F.3d 161, 174 (2d Cir. 2013) (New York has an interest in “monitoring banks and banking activity to ensure that its system is not used as an instrument in support of terrorism, money laundering, or other nefarious ends”).

issues raised in the January 13 letter. *Id.* at ¶ 18.

From February 14, 2023, to February 28, 2023, Vortex’s counsel communicated telephonically and over electronic mail on numerous occasions with Alipay’s counsel regarding a potential resolution. *Id.* at ¶ 19. To date, Alipay has refused to comply with the Court’s Amended Final Judgment Order and release the subject funds to Vortex. *Id.* at ¶ 20.

III. **ARGUMENT**

A. **This Court Has Personal Jurisdiction Over Defendants.**

There has been no challenge to the Court’s personal jurisdiction over Defendants. Personal jurisdiction exists over Defendants because, as this Court has held in its Amended Final Judgment Order at p. 2, they directly focus their unlawful business activities and infringing products toward consumers in the United States, including consumers in the State of Illinois. Specifically, Defendants are targeting Illinois residents by operating one or more commercial, interactive e-commerce store fronts under the Seller Aliases through which Illinois residents can purchase and have purchased Counterfeit Products. *Id.*; *see also Monster Energy Co. v. Wensheng*, 136 F. Supp. 3d 897, 906 (N.D. Ill. 2015) (finding that “defendants expressly elected to do business with the residents ... of Illinois” with their “... intentionally created and operated commercial, fully interactive ... Internet stores...through which consumers can purchase counterfeit...[p]roducts”).

B. **Alipay Was Properly Served and Is Bound By This Court’s Orders.**

Alipay was properly served and, consistent with Federal Rule of Civil Procedure 65(d), is bound by this Court’s Orders.

Notwithstanding its active participation in the action, Alipay, for the first time on January 13, 2023, raised the issue of proper service. *See* Leung Decl. at ¶ 17. However, Alipay ignores that it is well-established in the Seventh Circuit that, even if proper service has not been accomplished, which Vortex denies, the privilege of asserting the defense of improper service ‘may be waived by formal submission to a cause, or by submission through conduct.’” *Bristol W. Ins. Co. v. Clark*, 858 F. Supp. 2d 995, 1000 (S.D. Ind. 2012) (quoting *Continental Bank, N.A. v. Meyer*, 10 F.3d 1293, 1297 (7th Cir. 1993)).

In *Clark*, the court reasoned that “[e]ven if we were to conclude that proper service had not been effected, it is clear that Defendants’ attorney, Mr. Adams, actively engaged in conversations with Bristol West [the plaintiff] on behalf of his clients regarding this dispute under the insurance policy, even though Adams had not officially entered an appearance in the case.” Furthermore, the court added that Defendants’ attorney’s “discussions with counsel for Bristol West about filing the Kentucky state court tort claim and including Bristol West to get the insurance disagreement before that forum provides a clear indication that he was acting as Clark’s agent with full knowledge of the filing of this action.” *Id.* (emphasis added).

Like the defendants’ attorney in *Clark*, Alipay’s counsel contacted Vortex’s counsel in September 2022 in connection with a contemplated motion to compel relief. *See* Leung Decl. at ¶ 6. Since that time, Alipay’s counsel has actively and repeatedly communicated with Vortex’s counsel both telephonically and over electronic mail regarding Alipay’s compliance with various court orders in this case. *See id.* at ¶¶ 7-13. Indeed, on multiple occasions, Alipay’s counsel facilitated and confirmed verbally and in writing that, as ordered by the Court, Alipay froze Defendants’ accounts for which Alipay had evidence of infringement. *See id.* at ¶¶ 7, 8, 12, 13.

Accordingly, even if service on Alipay was somehow improper (which Vortex denies), Alipay waived that defense through its conduct in this action.

C. This Court Has Personal Jurisdiction Over Alipay.

Alipay has accepted service of the Court’s prior orders, actively communicated with Vortex regarding compliance with the Court’s orders throughout this litigation, and further complied with the Court’s prior orders to freeze Defendants’ accounts. Despite Alipay’s continuous and active participation in this matter for over six months, Alipay now refuses to comply with the Court’s latest order (or accept service), claiming that this Court lacks personal jurisdiction over Alipay and is therefore powerless to enforce its own orders. While Vortex maintains that Alipay’s prior actions related to this case waived any challenge to personal jurisdiction, Alipay’s argument should be rejected on the merits as well.

This Court has personal jurisdiction over Alipay. *See Leibovitch v. Islamic Republic of*

Iran, 188 F. Supp. 3d 734, 744 (N.D. Ill. 2016), aff'd, 852 F.3d 687 (7th Cir. 2017) (“The threshold issue presented by the parties’ motions—and a point on which they strenuously disagree—is whether the Court has personal jurisdiction to take any action against the banks, either in connection with the citation or the discovery requests.”); *see generally Koehler v. Bank of Bermuda Ltd.*, 544 F.3d 78 (2d Cir.2008) (“a New York court with personal jurisdiction over a defendant may order [that defendant] to turn over out-of-state property regardless of whether the defendant is a judgment debtor or a garnishee”). *Leibovitch* explains that a federal court sitting in the state of Illinois may “exercise personal jurisdiction if it would be permitted to do so under the Illinois long-arm statute.” *Id.* at 746.

As alleged in the Complaint—and unchallenged by any Defendant or Alipay—Defendants have undertaken substantial activity in and affecting the United States and the Northern District of Illinois. Defendants have advertised and targeted their unlawful business activities and infringing products to consumers in the United States, the State of Illinois (the sixth most populous state in the country), and this District, including through the fully-interactive Internet stores. Furthermore, Defendants have accepted payment in U.S. dollars for sales of infringing products. This purposeful availment established the “minimum contacts” necessary for the Court to exercise personal jurisdiction over Defendants.

Here, Alipay acted as a contributory infringer by providing Defendants payment services, which enabled them to sell products in the United States, including in Illinois, that infringed Vortex’s intellectual property and to receive payments originating in the United States from United States residents, which inured to the profitable benefit of Alipay. *See Gucci Am., Inc. v. Frontline Processing Corp.*, 721 F. Supp. 2d 228, 253 (S.D.N.Y. 2010) (allowing handbag manufacturer’s claims to proceed based on a contributory liability theory against companies which provided credit card processing services to online merchant which sold counterfeit products). Based on Alipay’s own information, it is clear that Alipay’s contacts with the United States are extensive. In an article

“presented by Ant Group,”² it states “[i]n 2020, U.S. brands sold *\$54 billion worth of products* to Chinese consumers online through Alibaba’s ecommerce platforms – *sales that were facilitated by Alipay.*” The article continues:

- “U.S. retailers accepting Alipay can also reach the Chinese customer at their stores in China as well as their stores here in the United States.”
- “*Alipay allows U.S. businesses to conduct transactions seamlessly with Chinese citizens, both at home and in China.*”
- “Millions of businesses accept Alipay, such as CVS (including that one Feagin went to in Florida), Walgreens, Sephora, Target, Hilton, Hyatt, Marriott International and Rebecca Minkoff, as well as online stores through Shopify’s platform and Alibaba’s marketplaces.”
- “Feagin said that by *facilitating sales between U.S. businesses and Chinese consumers*, Alipay opens the door for those U.S. businesses to a global audience and invites the potential for growth.”
- Who uses the Alipay app? It’s a Chinese app for Chinese consumers. They can use it for online as well as in-person transactions in China, and also when they travel abroad, including in the United States. And so American businesses can accept it as a method of payment for both online and in-person transactions in China and the United States to transact with Chinese consumers who are traveling here. *Our customer is both the U.S. business who chooses to accept Alipay* at a point of sale and the Chinese consumer who utilizes the Alipay app to make purchases.
- “If you look at the year prior to the pandemic – April 2019 through March 2020 – *Chinese tourists in the United States engaged in 800,000 transactions using the Alipay app, for sales valued at \$232 million in the aggregate.*”

Although it may have measures in place to terminate its services to Defendants, who Alipay determined sold counterfeit products, the current scheme of processing payments for the sale of counterfeits directly benefits Alipay. Moreover, Alipay is both protecting Defendants by maintaining their accounts and refusing to turnover profits from illicit sales, in direct contravention of the Court’s Amended Final Judgment Order while receiving payment processing fees on every consumer purchase of counterfeit merchandise.

Furthermore, Federal Rule of Civil Procedure 65(d)(2) provides that an injunction binds not only the parties to the action, but also binds “other persons who are in active concert or

² <https://www.protocol.com/sponsored-content/the-new-wave-of-global-trade-how-alipay-connects-us-businesses-with-chinese-consumers#toggle-gdpr> (Last accessed on April 28, 2023).

participation with” the enjoined parties-so long as they have notice of the injunction. Fed. R. Civ. P. 65(d)(2)(c); *see also In re Sledziejowski*, 533 B.R. 408, 423 (Bankr. S.D.N.Y. 2015) (Federal Rule of Civil Procedure 65(d)(2)(C) “codifies the common-law principle that non-parties to a proceeding may also be bound by an injunction, and held in contempt for violations thereof, where such non-part[y] . . . aids and abets the party named in the order in its noncompliance”).

The Court’s inherent power to bind third parties, such as Alipay, is essential to the Court’s ability to enforce its own orders. *See Eli Lilly & Co. v. Gottstein*, 617 F.3d 186, 196 (2d Cir. 2010) (holding that an injunction against a third party was a “perfectly appropriate device”). This is especially important so that the Defendants “may not nullify a decree by carrying out prohibited acts through aiders and abettors, although they were not parties to the original proceeding.” *Regal Knitwear Co. v. National Labor Relations Board*, 324 U.S. 9, 14 (1945); *see also Eli Lilly*, 617 F.3d at 195.

In an effort to avoid personal jurisdiction, Alipay appears to rely on the relationship between Alipay entities, contending that Defendants have accounts with Alipay Merchant Services Pte Ltd. (“Alipay MS”),³ a Singaporean company, and that the funds maintained by Alipay MS in Defendants’ accounts are held in Singapore. *See Leung Decl.* at ¶ 17. At a minimum, these commonly owned and managed Alipay entities operate jointly to facilitate the transfer of funds resulting from the sales of infringing products to Illinois consumers, making personal jurisdiction appropriate here. *See Alibaba Grp. Holding Ltd. v. Alibabacoin Found.*, No. 18-CV-2897 (JPO), 2018 WL 5118638, at *4 (S.D.N.Y. Oct. 22, 2018).

Moreover, this contention necessarily admits that Alipay MS facilitated transactions that originated in Illinois given that Alipay MS must rely on U.S. payment services to transfer funds from consumers in the State of Illinois into Defendants’ Alipay MS accounts purportedly in Singapore.⁴ Regardless of whether U.S. funds flowed through Alipay US accounts or the accounts

³ References to “Alipay” include Alipay MS.

⁴ Schedule A to Alipay MS’ Terms and Conditions states: “Once you have set up your Alipay MS Account, you will be able to receive into your Alipay MS Account settlement funds for goods and services which you have sold on the Alibaba Platforms or Approved Platforms, or for which

of third parties, funds were necessarily transferred through U.S. accounts from the State of Illinois to accounts purportedly in Singapore.

In *Sec. & Exch. Comm'n v. PlexCorps*, the court found that the use of U.S.–based payment servicers was “significant” in determining whether non-residents had sufficient minimum contacts. 2018 WL 4299983, at *10 (E.D.N.Y. Aug. 9, 2018). The volume of payments processed in the U.S. by Alipay far exceeds—indeed, by four orders of magnitude—the \$4 million amount that the court found noteworthy in *PlexCorps*. 2018 WL 4299983, at *11 (they “processed thousands of sales, totaling nearly \$4 million”).

Even if the final step of Defendants’ sales of infringing products resulted in the transfer of funds to Alipay MS outside the United States, the initial steps involved in-forum contacts of payments through U.S. accounts. *See id.*, at *12 (“even if the final step of those sales (the public transfer of PlexCoin on the ledger) occurred outside the United States, the initial steps (the payment through the accounts) involved in-forum contacts”). Moreover, it is clear that the transactions at issue here are not isolated instances, “but rather a part of a larger business plan” that involves the purposeful transfer of funds from consumers in the United States to accounts overseas. *See Chloe v. Queen Bee of Beverly Hills, LLC*, 616 F.3d 158, 167 (2d Cir. 2010) (“these additional contacts show that the shipment of a counterfeit Chloé bag was not, as the district court thought, a ‘one-off transaction,’ . . . but rather a part of a larger business plan purposefully directed at New York consumers”) (citation omitted).

Indeed, the use of in-forum accounts by foreign entities has been held sufficient to establish that the foreign entity transacted business in the forum. Relying on the holding from the New York Court of Appeals in *Licci ex rel. Licci v. Lebanese Canadian Bank, SAL*, 20 N.Y.3d 327, 338 (2012), a court in the Southern District of New York found that allegations of “a foreign bank’s repeated use of a correspondent account in New York on behalf of a client” were sufficient to “show purposeful availment of New York’s dependable and transparent banking system, the dollar

payment is processed by Alipay MS’ affiliates.” *See* <https://global.alipay.com/docs/ac/Platform/alipaymstc> (Last accessed on April 28, 2023.)

as a stable and fungible currency, and the predictable jurisdictional and commercial law of New York and the United States.” *Gucci Am., Inc. v. Weixing Li*, 135 F. Supp. 3d 87, 93 (S.D.N.Y. 2015) (noting that it had “no trouble concluding that Gucci satisfie[d]” the long-arm statute).

Similarly, in *NIKE, Inc. v. Wu*, the court held that the foreign banks’ establishment and maintenance of correspondent accounts in the forum constituted purposeful availment of the privilege of conducting business in the forum. 349 F. Supp. 3d 346, 358 (S.D.N.Y. 2018). Like the foreign banks in *NIKE*, Alipay, by necessity, would have used accounts in Illinois to process international transactions on behalf of its customers, including the Defendants in this case. *Id.*

Fundamentally, Alipay may not hide behind its web of corporate entities to avoid personal jurisdiction. See *Richard Knorr Int’l, Ltd. v. Geostar, Inc.*, No. 08 C 5414, 2010 WL 1325641, at *11 (N.D. Ill. Mar. 30, 2010) (“allowing a corporation to insulate itself from jurisdiction by the simple expedient of sending independent contractors to the forum would trample over the principle that a corporation’s own presence in the forum is no longer a sine qua non of personal jurisdiction”). As the court in *Geostar* noted, “. . . a parent corporation cannot insulate itself from a state’s jurisdiction merely by separately incorporating its sales force or other operations for that state.” *Id.*; accord *Charles Schwab Corp. v. Bank of Am. Corp.*, 883 F.3d 68, 84 (2d Cir. 2018) (“It is well established that a defendant can ‘purposefully avail itself of a forum by directing its agents or distributors to take action there.’”) (quoting *Daimler AG v. Bauman*, 134 S.Ct. 746, 759 n.13 (2014)).

Alipay’s conduct demonstrates that it has purposefully directed its activities at the State of Illinois, warranting a finding of specific personal jurisdiction over Alipay.

D. The Federal Rules And Illinois Law Authorize Turnover.

Federal Rule of Civil Procedure 69(a)(1) governs execution of federal judgments and provides that such proceedings “must accord with the procedure of the state where the court is located.” Fed. R. Civ. P. 69(a)(1). Rule 69(a)(1) has been interpreted to mean that courts must “follow the law of supplementary proceedings of the state in which they sit.” *Laborers’ Pension Fund v. Pavement Maint., Inc.*, 542 F.3d 189, 191 (7th Cir. 2008).

In Illinois, judgments are executed through supplementary proceedings. *See* Ill. Sup. Ct. R. 277(a), (b); 735 Ill. Comp. Stat. 5/2-1402; *Mendez v. Republic Bank*, 725 F.3d 651, 662 (7th Cir. 2013). Final disposition of nonexempt assets to satisfy a judgment is governed by section 2-1402(c). “In interpreting the provisions of section 2-1402, the provisions are to be liberally construed, and the statute gives courts broad powers to compel the application of discovered assets or income to satisfy a judgment.” *Kennedy v. Four Boys Labor Serv., Inc.*, 279 Ill. App. 3d 361, 367 (1996); *accord City of Chi. v. Air Auto Leasing Co.*, 297 Ill. App. 3d 873, 878 (1998) (“Section 2-1402 is to be construed liberally, not only providing for the discovery of a debtor's assets and income, but also vesting the courts with broad powers to compel the application of discovered assets or income to satisfy a judgment.”) (internal quotation marks omitted); *see also* 735 Ill. Comp. Stat. Ann. 5/2-1402.

Under this statutory authority, courts are authorized to order the turnover of assets from the judgment debtor to satisfy a judgment. *See, e.g., Sullivan v. Alpine Irrigation Co.*, No. 09 C 2329 AK, 2012 WL 13145528, at *4 (N.D. Ill. Mar. 15, 2012) (“Section 2-1402(c) empowers the court to order the debtor turn over property to the creditor to satisfy the judgment via turnover orders.”) (collecting cases); *see also Golden Eagle Distrib., Corp. v. Wise Equip. & Rentals, Inc.*, No. 15 C 8235 RC, 2017 WL 4574967, at *4 (N.D. Ill. Oct. 12, 2017) (ordering judgment debtor to turn over personal property to judgment creditor); *Wells Fargo Bank Minn., NA v. Envirobusiness, Inc.*, 2014 IL App (1st) 133575, ¶ 35, 22 N.E. 3d 125, 134-35 (Ill. Ct. App. 2014) (ordering judgment debtor to turn over stock certificates in out-of-state corporations to judgment creditor).

Courts may also compel third party citation respondents to “deliver up” any of the judgment creditor's assets discovered when the assets are recoverable by the judgment debtor, 735 Ill. Comp. Stat. 5/2-1402(c)(3), or authorize the judgment creditor to maintain an action to recover debts owed to the judgment debtor, 735 Ill. Comp. Stat. 5/2-1402(c)(6). Additionally, courts may “[c]ompel any person cited to execute an assignment” of assets “in the same manner and to the same extent as a court could do in any proceeding by a judgment creditor to enforce payment of a

judgment or in aid of the enforcement of a judgment.” 735 Ill. Comp. Stat. 5/2-1402(c)(5).

Furthermore, under Illinois law, assets are “located” in any jurisdiction where there is personal jurisdiction over the debtor--which, in this case, is Illinois. *See Leibovitch v. Islamic Republic of Iran*, 297 F. Supp. 3d 816, 832 (N.D. Ill. 2018) (affirming trial court's finding of jurisdiction over accounts payable located in North Carolina, explaining that jurisdiction over intangible property “does not depend on the situs of the debt”) (internal citations omitted); *Gates v. Syrian Arab Republic*, No. 11 C 8715 VMK, 2013 WL 1337214, at *3 (N.D. Ill. Mar. 29, 2013) (“Under Illinois law, if the Illinois courts have personal jurisdiction over the party owning the debt, then Illinois courts have jurisdiction over accounts payable even if the accounts are ‘located’ in another district.”).

Accordingly, Defendants’ funds are deemed to be located in Illinois where the Court has personal jurisdiction over Defendants. *See Leibovitch*, 297 F. Supp. 3d at 832 (courts may restrain “intangible property located anywhere, as long as the Illinois court has personal jurisdiction over the owner of the debt”).

This Court has personal jurisdiction over Defendants and their funds are deemed to be located in Illinois for purposes of 2-1402. Given that the Court has personal jurisdiction over both Defendants and Alipay, the Court’s authority to execute judgment on Defendants’ assets that are controlled by Alipay extends to wherever those assets may be located.

IV. CONCLUSION

Based on the foregoing, Plaintiff respectfully requests an order compelling Alipay to immediately turn over to Plaintiff Defendants’ funds held in Alipay accounts in the amount of at least \$32,316.60 and up to the amount of judgment.

Dated: April 28, 2023

Respectfully submitted,

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By: /s/ Jeff Leung

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document will be electronically filed on April 28, 2023, with the Clerk of the Court using the CM/ECF system. I will serve a filed copy on April 28, 2023, of the foregoing document on Defendants via electronic publication on a website and/or email and on Alipay via FedEx delivery to Alipay and its counsel.

/s/ Jeff Leung

Jeff Leung