

Due to the pandemic, in the spring of 2020, CrimsonBikes saw an uptick in orders from 20 orders a week to 50 to 100 orders a day at the same time as an industry wide crisis with a global collapse in bicycle supply chains and huge consumer demands.

CrimsonBikes went to extraordinary lengths to get bicycles or refunds to customers and in fact, found and vetted an international supply source and obtained 5,000 bikes of comparable quality from Mexico.

But last fall, even that was not enough. The system broke down between CrimsonBikes, SmartEtailing and Stripe, the credit card payment processor. In some instances, customers wound up getting refunds directly from CrimsonBikes as well as refunds on their credit cards. In some cases, they got refunds and also the bicycles they ordered from CrimsonBikes. But instead of working with CrimsonBikes, SmartEtailing cut off CrimsonBikes from SmartEtailing's platform, rendering CrimsonBikes unable to access order history, validate order status, issue refunds or even give customers accurate information. Despite this, CrimsonBikes has fulfilled or refunded \$5 million worth of orders and only a fraction of customers are still waiting for the dispute process to close.

CrimsonBikes has always been committed to the highest level of customer service and satisfaction, and its positive reviews speak to the great lengths it goes to make sure the customer experience exceeds their expectations. CrimsonBikes even offered customers discounts and free accessories in light of the challenges.

Despite CrimsonBikes' extraordinary, ethical and entrepreneurial efforts to resolve an untenable situation, SmartEtailing turned a deaf ear to CrimsonBikes' repeated attempts to resolve what is a simple business dispute, not fraud. Instead of honorably working out a resolution, SmartEtailing has chosen to use Yelp complaints as a basis for a federal lawsuit designed to damage the reputation and business of CrimsonBikes in the face of what is an ordinary business dispute.

SmartEtailing not only knows its allegation of fraud is baseless, it does not even have grounds or standing to bring such an allegation and risks a counterclaim for commercial defamation. CrimsonBikes will, if and when it is served with this lawsuit, contest it vigorously. It should be noted that the Court may dismiss SmartEtailing's lawsuit of the Court's own volition for failure of SmartEtailing to

meet the jurisdictional requirements for a federal lawsuit, as outlined in the Court's Order directed to SmartEtailng.