UNITED STATE DISTRICT COURT MIDDLE DISTRICT OF FLORIDA ORLANDO DIVISION

JEUNESSE LLC, d/b/a JEUNESSE GLOBAL, a Florida Limited Liability Company,

Plaintiff,

VS.

ZRII, LLC, a Utah Limited Liability Company,

Defendant,

Case No.: 6-15-CU-2181-Orl-311

COMPLAINT FOR DAMAGES

Plaintiff Jeunesse Global Holdings, LLC ("Jeunesse"), by and through its undersigned counsel, hereby brings this Complaint for Damages against Defendant, Zrii, LLC ("Zrii"), and states as follows:

PARTIES

- 1. Jeunesse is a Florida limited liability company, in good standing, with a principal place of business located at 650 Douglas Avenue, Suite 1020, Altamonte Springs, Florida 32714.
- 2. Zrii is a Utah limited liability company with its principal place of business located at 14183 Minuteman Drive, Suite 101, Draper, Utah 84020.

JURISDICTION AND VENUE

- 3. Upon information and belief, Zrii transacts business in the State of Florida.
- 4. Specifically, Zrii recruits individuals to become Zrii distributors through its interactive website, www.zrii.com, in the State of Florida.

- 5. Upon information and belief, Zrii's distributors and agents recruit individuals to become Zrii distributors in the State of Florida.
 - 6. Upon information and belief, Zrii sells its products in the State of Florida.
- 7. The conduct underlying Jeunesse's complaint is tortious in nature and has caused Jeunesse, a Florida company, injury within the State of Florida.
- 8. Upon information and belief, Zrii, has participated in the tortious conduct directed toward and affecting Jeunesse in the State of Florida.
- 9. Zrii has sufficient contacts with the State of Florida to confer personal jurisdiction.
- 10. Jurisdiction is proper in this Court pursuant to 28 U.S.C. Section 1332(a)(1) because this action is between a citizen of Florida and the subject of a different state, Utah, and because the amount of potential damages exceeds \$75,000.
- 11. Personal jurisdiction over Zrii is proper in this Court pursuant to Florida's long-arm statute, § 48.193 et seq., Fla. Stat., and conforms with the United States Constitution.
- 12. Venue is proper in this Court pursuant to 28 U.S.C. Sections 1391 (b)(2) and (b)(3).

GENERAL ALLEGATIONS

- 13. Jeunesse is a direct selling company engaged in the business of manufacturing, distributing, and selling anti-aging creams and health supplements in the United States and internationally.
- 14. Zrii is also a direct selling company engaged in the business of manufacturing, distributing, and selling energy drinks, coffee, and dietary supplements in the United States and internationally.

- 15. Jeunesse and Zrii each market and sell their products through a network of independent distributors¹ who are remunerated pursuant to a compensation plan, which provides for a structured series of rankings, commissions, and bonuses based upon sales volume and the number of other distributors placed in a "downline."
- 16. Distributors in Jeunesse and Zrii earn commissions, bonuses and incentives from their respective companies based on the volume of products they sell as well as the volume of products sold by each distributor's "downline."
- 17. A "downline" consists of persons who are recruited by a distributor, who then recruit other distributors, and so forth, to sell the company's products. Similarly, an "upline" consists of the individual(s) who recruited each distributor.
- 18. One of the most valued and protected possessions of any network marketing company is the contact and downline information of its distributors (the "Distributor Information").
- 19. Jeunesse maintains its Distributor Information in a confidential manner by restricting access to the information and requiring that its employees and distributors agree to non-disclosure and confidentiality covenants.
- 20. Specifically, all Jeunesse distributors are bound by a statement of "Policies & Procedures" published by Jeunesse, which, among other things, prescribe certain rules of conduct for distributors and govern the way in which a distributor may conduct business with Jeunesse.
- 21. Each Jeunesse distributor agrees that Jeunesse is the legal owner of the Distributor Information.

¹ Upon information and belief, Zrii refers to its independent distributors as "independent executives", but for all intents and purposes of, there is no difference between the two.

- 22. By enrolling as a Jeunesse distributor and accepting the Policies & Procedures each distributor further agrees that he/she will not disclose Jeunesse's confidential and proprietary information, including the Distributor Information, to any third party, directly or indirectly, or use the information to compete with Jeunesse.
- 23. They further agree that for a period of twelve months after the termination of their distributorship, they will not solicit, entice or enroll a current Jeunesse distributor to another network marketing company.
- 24. In order to support its network of independent distributors which are situated throughout the world, Jeunesse employs individuals to assist in the day-to-day operations of the company and to perform certain obligations associated with the employee's title and position.
- 25. Employees of Jeunesse regularly sign employment agreements, non-disclosure, and/or confidentiality agreements which include restrictive covenants to protect the Jeunesse's relationships with is customers and distributors, as well as its confidential information, including the Distributor Information.
- 26. One of these employees was Jeunesse's former General Manager of Jeunesse Malaysia and Jeunesse Singapore, Mr. Paul Lim ("Lim").
- 27. On or about June 11, 2011, Lim was hired as General Manager pursuant to an employment agreement executed by Lim and Jeunesse.
- 28. Among other provisions, Lim's employment agreement included restrictive covenants to protect Jeunesse's relationships with customers and distributors, as well as the Distributor Information.
- 29. In his employment agreement, Lim acknowledged, *inter alia*, that he would have access to and would be exposed to Jeunesse's confidential and proprietary information, including

the Distributor Information, while performing his job responsibilities for Jeunesse, and that he would also have access to Jeunesse's suppliers, customers, distributor list, business plans, and other confidential information.

- 30. As General Manager, Lim did in fact have full access to Jeunesse's confidential information. Indeed, Lim had full access to Jeunesse's Distributor Information, downline reports, genealogical trees, suppliers, compensation information, sales volume reports and other valuable confidential information.
- 31. In executing his employment agreement, Lim acknowledged that disclosure of any confidential or proprietary information, including the Distributor Information, was prohibited and that he would not disclose or utilize the confidential information of Jeunesse in any way.
- 32. Lim worked as General Manager until July 20, 2015, when he voluntarily terminated his employment.
- 33. During his employment, part of Lim's job duties as General Manager were to assist distributors in Malaysia and Singapore in growing their Jeunesse distributorships and to provide sales and training assistance.
- 34. One of the Jeunesse distributors with whom Lim worked, interacted, and associated was, Mr. Shah Khan ("Khan").
- 35. Khan was formerly one of the highest-ranked Jeunesse distributors in Singapore and Malaysia.
- 36. Because Khan was such a high-level and successful distributor, Jeunesse entered into a business development agreement with him (the "BDA"), whereby Khan agreed, *inter alia*,

that he would work exclusively for Jeunesse after execution² of the BDA and could not either, directly or indirectly, be a distributor or promote any new network marketing company.

- 37. The BDA was a term-of-years agreement, wherein Khan agreed to be, and remain, a distributor of Jeunesse for three (3) years.
- 38. The BDA expressly required Kahn to "focus his exclusive full time efforts to build the Jeunesse market . . ."
- 39. Further, the BDA expressly prohibited Khan from, either directly or indirectly, being a distributor or promoting another network marketing program during the three year term, regardless of whether Khan was a distributor with Jeunesse.
- 40. The BDA expressly provides that if Khan violates its terms that he shall owe Jeunesse liquidated damages of \$1,100,000 USD.
- 41. Lim had direct knowledge of the BDA as he facilitated Khan's execution of the BDA on behalf of Jeunesse while acting as General Manager.
- 42. Prior to terminating his employment with Jeunesse, and upon information and belief, Lim discussed his desire to leave with Jeunesse employees and distributors, including Khan, and began actively recruiting and soliciting Khan and others to leave Jeunesse with him and to join Zrii.
- 43. After quitting as General Manager, Lim straightaway became an employee of Zrii and, upon information and belief, is now working as a Vice President of Zrii in Malaysia and Singapore.

² Khan entered into and executed the BDA with Jeunesse on January 22, 2014.

- 44. Upon information and belief, and upon gaining employment with Zrii, Lim informed executives at Zrii of Kahn, his success as a Jeunesse distributor, and the existence of the BDA, its terms, and the exclusivity provisions.
- 45. Although Zrii was aware Khan was off limits for more than three years under the BDA, it conspired and otherwise schemed to wrongfully recruit and solicit Khan to join Zrii.
- 46. In addition, and upon information and belief, Lim provided Jeunesse's confidential information, including the Distributor Information, to Zrii to assist Zrii in its efforts to solicit, recruit, and enroll other Jeunesse distributors into Zrii.
- 47. At all times material hereto, Zrii, both directly or indirectly, had knowledge of the BDA and actively participated in the scheme to recruit, solicit, and ultimately enroll Khan as a Zrii distributor.
- 48. Upon information and belief, Zrii executives, including Lim, continuously and repeatedly contacted, solicited, and recruited Kahn to quit building his Jeunesse business and enroll as a distributor in Zrii.
- 49. Upon information and belief, Zrii executives, including Lim, contacted Kahn in person, by telephone, and by other electronic means on multiple occasions in an effort to persuade him to leave Jeunesse and join Zrii.
- 50. Upon information and belief, Zrii, using confidential information, including the Distributor Information obtained from Jeunesse, has made to solicit, recruit, and invite other Jeunesse distributors to enroll at Zrii
- 51. Jeunesse became aware of Zrii's solicitation and recruitment of Khan and other Jeunesse distributors and notified Zrii of the BDA, its terms, and exclusivity provisions and

demanded that it cease its efforts to solicit and recruit Kahn and other Jeunesse distributors to Zrii.

- 52. Despite this notice, Zrii, continued its efforts to solicit and recruit Kahn as well as other Jeunesse distributors.
- 53. Ultimately, Zrii was successful in its efforts to recruit Khan, as he has enrolled as a distributor of Zrii and completely abandoned any efforts to build or market his Jeunesse distributorship.
- 54. Since enrolling as a Zrii distributor, Khan has been aggressively marketed as a new Zrii distributor and Zrii has promoted his distributorship across multiple social media platforms.
- 55. Khan's enrollment as a distributor of Zrii a direct result of Zrii's recruitment and solicitation efforts has caused Khan to breach and sever the BDA.

FIRST CAUSE OF ACTION Tortious Interference with Contractual Relationship

- 56. Jeunesse realleges and incorporates herein by reference the allegations in the preceding paragraphs, paragraphs 1 through 55.
 - 57. Khan had a contractual relationship with Jeunesse by and through the BDA.
- 58. Zrii had knowledge of the BDA by virtue of Jeunesse's notice to Zrii of the same and of Jeunesse's request that Zrii cease from soliciting and recruiting Khan and other Jeunesse distributors.
- 59. Zrii intentionally procured Khan's breach of the BDA as part of a scheme wherein Zrii executives repeatedly and continuously solicited and recruited Khan, and otherwise engaged in wrongful, deceptive, and unjustified interference which caused Khan to breach and sever the BDA.

60. As a direct and proximate result of Zrii's interference with the BDA, Jeunesse has suffered damages, including but not limited to, liquidated damages of \$1,100,000 per the terms of the BDA, past and/or prospective sales from Khan and his downline, lost profits from these past and/or prospective sales, and other damages.

SECOND CAUSE OF ACTION Tortious Interference with Business Relations

- 61. Jeunesse realleges and incorporates herein by reference the allegations in paragraphs 1 through 55.
- 62. Khan and other Jeunesse distributors recruited and solicited by Zrii had business relationships with Jeunesse by virtue of their enrollment as distributors in Jeunesse and acceptance of the Policies and Procedures.
- 63. Jeunesse has valid business relationships with its current and former Jeunesse distributors, including Khan, which relationships are bound by certain covenants of non-solicitation and non-disclosure that survive termination of the business relationship.
- 64. Zrii knew or should have known of the existence of these business relations and, upon information and belief, has conspired with current and former Jeunesse employees and distributors, including Khan and Lim, to interfere with these business relationships by encouraging Jeunesse distributors to breach the terms of their non-solicitation and non-disclosure covenants, solicit other distributors and members of the downline, and ultimately leave Jeunesse and join Zrii.
- 65. Zrii has intentionally interfered with the business relations of Jeunesse and its distributors, including Kahn, wherein Zrii executives, including Lim, repeatedly and continuously engaged in wrongful, deceptive, and unjustified interference and otherwise caused

Jeunesse distributors, including Khan, to violate the Policies and Procedures and ultimately terminate their business relationships with Jeunesse.

66. As a direct and proximate result of Zrii's interference Jeunesse's business relationships with Kahn and other Jeunesse distributors, Jeunesse has suffered damages, including but not limited to, past and/or prospective sales from Khan and the other Jeunesse distributors who have joined Zrii as well as lost profits from these past and/or prospective sales and other damages.

THIRD CAUSE OF ACTION Misappropriation of Trade Secrets

- 67. Jeunesse realleges and incorporates herein by reference the allegations in paragraphs 1 through 55.
- 68. The confidential and proprietary Distributor Information exploited by Zrii, including but not limited to the Distributor Information and other information contained in Jeunesse's confidential distributor lists, qualify as a trade secret as defined by § 688.002(4), Fla. Stat.
- 69. Zrii, and/or its agents, have wrongfully obtained and/or were granted access to Jeunesse's confidential business information, including the Distributor Information, without Jeunesse's knowledge and/or consent by virtue of Lim's provision of the Distributor Information to Zrii.
- 70. Zrii's unauthorized disclosure and/or use of Jeunesse's confidential business information, including the Distributor Information, constitutes a misappropriation of Jeunesse's trade secrets pursuant to § 688.002(2), Fla. Stat.

- 71. Zrii's misappropriation of Jeunesse's trade secrets has caused and will continue to cause irreparable harm, and Jeunesse is entitled to injunctive relief and other relief provided by § 688.001, Fla. Stat., et seq.
- 72. Zrii's misappropriation of Jeunesse's trade secrets has caused Jeunesse to incur monetary damages, both direct and consequential, in an amount to be determined at trial.
- 73. Zrii's misappropriation of Jeunesse's trade secrets has been willful and malicious, thereby entitling Jeunesse to exemplary damages to twice the amount of damages proven at trial as provided by § 688.004, Fla. Stat.
- 74. Pursuant to § 688.005, Fla. Stat., Jeunesse is entitled to recover attorney's fees from Zrii.

PRAYER FOR RELIEF

WHEREFORE, Jeunesse hereby petitions the Court to enter judgment in its favor and against Zrii as follows:

- 1. For an award of direct and consequential damages, as well as liquidated damages of \$1,100,000.00, caused by Zrii's interference with BDA and for causing Kahn to breach the BDA;
- 2. For an award of direct and consequential damages, caused by Zrii's interference with Jeunesse's business relationships with its distributors, including Khan;
- 3. For damages caused by Zrii's misappropriation of Jeunesse's proprietary and trade secret information, including the Distributor Information;
- 4. For all exemplary damages and other relief as provided by § 688.001, Fla. Stat. *et seq.*, including but not limited to injunctive relief and attorney's fees.
 - 5. For all consequential damages, costs, and prejudgment interest.

6.	For such other and further relief as the Court determines to be	just and	proper
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Dated: December _____, 2015

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Christina Bredahl, Esq. Florida Bar No.: 0055462 JS 44 (Rev 09/10)

UNITED STATES DISTRICT COURT MIDDLE DISTRICT OF FLORIDA

CIVIL COVER SHEET

This automated JS-44 conforms generally to the manual JS-44 approved by the Judicial Conference of the United States in September 1974. The data is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. The information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law.

Plaintiff(s):

First Listed Plaintiff:

Jeunesse LLC d/b/a Jeunesse Global;

1 Citizen of This State; Florida

County of Residence: Seminole County

Defendant(s):

First Listed Defendant: Zrii, LLC; 2 Citizen of Another State; Utah

County of Residence: Outside This District

County Where Claim For Relief Arose: Seminole County

Plaintiff's Attorney(s):

Christina Bredahl (Jeunesse LLC d/b/a Jeunesse Global) Cole Scott & Kissane PA 1900 Summit Tower Boulevard; Suite 750 Orlando, Florida 32810

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Defendant's Attorney(s):

Basis of Jurisdiction: 4. Diversity of Citizenship

Citizenship of Principal Parties (Diversity Cases Only)

Plaintiff: 1 Citizen of This State

Defendant: 2 Citizen of Another State

Origin: 1. Original Proceeding

Nature of Suit: 190 All Other Contract Actions Cause of Action: 28 USC Section 1332(a)(1)

Requested in Complaint

Class Action: Not filed as a Class Action

Monetary Demand (in Thousands): 1,100,000.00

Jury Demand: No

Related Cases: Is NOT a refiling of a previously dismissed action

1/2

Signature: Christina Bredahl

Date: 12/29/2015

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