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**THE UNITED STATES DISTRICT COURT**  
**DISTRICT OF ARIZONA**

Jay Bennett, an individual, Siv Bennett, an  
individual, Kesha Marketing Inc., a Nevada  
S-Corporation,

Plaintiff,

vs.

Isagenix International, LLC, an Arizona  
Limited Liability Corporation,

Defendants.

CASE NO.:

**COMPLAINT**

Judge:

Plaintiffs, Jay Bennett (“Jay”), Siv Bennett (“Siv”), and Kesha Marketing Inc. (“Kesha Marketing”) (together, with Jay, the “Bennetts”) by and through counsel, hereby complaints and alleges against Defendant Isagenix International, LLC as follows:

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**THE PARTIES**

1. Plaintiffs Jay Bennett (“Jay”) and Siv Bennett (“Siv”) (together, the “Bennetts” or “Plaintiffs”) are married, adult individuals residing in Nevada.

2. Plaintiff Kesha Marketing (“Kesha Marketing”) is an s-corporation incorporated under the laws of the State of Nevada. Jay and Siv are the sole owners and operators of Kesha Marketing Inc.<sup>1</sup>

3. Defendant Isagenix International, LLC (“Isagenix” or “Defendant”) is an Arizona limited liability corporation with its principal place of business in Gilbert, Arizona.

**JURISDICTION AND VENUE**

4. This Court has personal jurisdiction over Isagenix because the Isagenix is organized in Arizona and its principal place of business is located in Gilbert, Arizona.

5. This Court has subject-matter jurisdiction over this action pursuant to 28 U.S.C. §1332, as all parties in the action are diverse. Both Plaintiffs are domiciled in Nevada, whereas Defendant is domiciled in Arizona. On information and belief, Isagenix has one member, with an address in Arizona.

**STATEMENT OF FACTS**

**Isagenix and the Associate’s Downline**

6. Isagenix is a multi-level marketing (“MLM”) company that sells dietary supplements and other health and wellness products, such as weight loss bars and shakes.

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<sup>1</sup> Kesha Marketing joins this action as a plaintiff because, without access to their Backoffice, Jay and Siv Bennett are unable to verify who is named as the legal owner of the Positions, and thus who has standing to assert the immediate claims for relief.

1           7.     Like other MLM businesses, Isagenix sells its products through a network of  
2 independent contractors known as “Associates,” who are remunerated pursuant to a  
3 “Compensation Plan,” which provides for a structured series of rankings, commissions, and  
4 bonuses based upon their sales volumes and the sales of Associates placed beneath them.  
5 Each Associate is its own independent business and responsible for its own business  
6 expenses and taxes.  
7

8           8.     As with any business, an Associate builds and creates significant goodwill in  
9 its business and the business is a valuable asset.  
10

11           9.     Associates recruit other Associates to become part of their selling organization.  
12 Those Associates then recruit other Associates, thereby creating many levels beneath the  
13 initial Associate. The selling organization beneath a particular Associate is commonly  
14 referred to as that Associate’s “downline” or “downline organization.” The downline may  
15 also be referred to as a “genealogy.” The Associates builds and supports its downline.  
16

17           10.    Downline organizations are valuable assets and are considered the Associate’s  
18 business. According to the Isagenix’s Policies and Procedures, downline organizations may  
19 be willed, bequeathed, or sold by an Associate.<sup>2</sup>  
20

21           11.    Associates manage and communicate with their downlines, place orders, and  
22 supervise their business through an online portal called the “Backoffice.”  
23

24           12.    Upon meeting predetermined thresholds, the Associate may graduate to a  
25 higher rank within Isagenix. The hierarchy of the promotions is as follows: Associate,  
26  
27

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28 <sup>2</sup> See, Isagenix Policies and Procedures Section 3.7.

1 Consultant, Manager, Director, Executive. Once an individual becomes an Executive, they  
2 can earn additional “stars” representative of their recruitment and sales cycles.

3 13. Individuals who achieve the rank of Executive are recognized as leaders within  
4 Isagenix, earning additional benefits.  
5

6 **The False MLM Promise**

7 14. Isagenix entices Associates to join its salesforce through the offer of the “MLM  
8 Promise.” The MLM Promise is a representation that if an Associate works hard to build his  
9 or her downline, then after a few years, the Associate can sit back and enjoy a care-free  
10 lifestyle by living off the “residual income” generated by his or her downline organization.  
11

12 15. This promise is made by Isagenix at corporate events, on conference calls, and  
13 is seen throughout Isagenix’s marketing and recruitment materials, including, but not limited  
14 to the following:  
15

16 16. In a promotional video entitled “Experience Isagenix,”<sup>3</sup> posted on the Isagenix  
17 Vimeo account, Isagenix uses clips of Associates being awarded massive checks to  
18 encourage individuals to enroll:  
19

20 ///

21 ///

22 ///

23  
24  
25  
26  
27 <sup>3</sup>The video can be accessed at the following web address:  
28 <https://player.vimeo.com/video/355746070>



17. In the same video, Isagenix advertises that individuals who enroll with the company will experience ultimate financial freedom:



18. In a separate video<sup>4</sup> entitled “Business of the Future,” Isagenix states that, with Isagenix, there are “no caps on earning potential.”

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<sup>4</sup> The video can be accessed at the following web address: <https://vimeo.com/290772185>



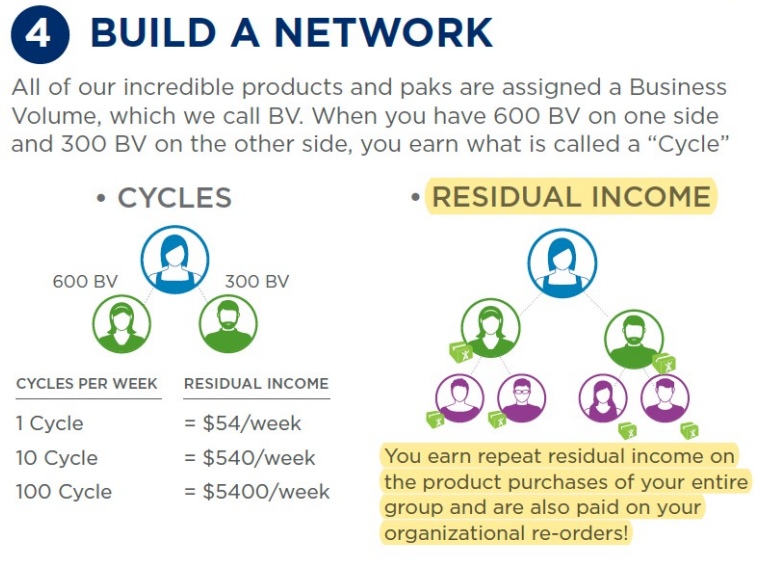
19. The same video goes on to assert, “you get paid a commission and can earn residual income on product sales generated by you and your team” and touts that Isagenix has the best compensation plan in network marketing, and that “you can build a legacy life with residual income, commissions can be paid on your entire team, and everyone benefits from helping each other” These representations are accompanied by the following images:

**BEST**  
COMPENSATION PLAN

**BUILD A LEGACY**  
with residual income

See Isagenix Team Compensation Plan for details. Individual results will vary.

20. Additionally, Isagenix advertises the benefits of residual income in promotional materials that explain the Isagenix compensation plan:<sup>5</sup>



21. The promise of a lifestyle change is what entices many Associates to join and stay at Isagenix. Associates are led to believe they are building an asset (i.e., business) that belongs to them, and which will produce income as long as their downline continues to thrive. However, in reality, once an Associate works hard to achieve a high rank with the corresponding residual income, Isagenix will confiscate that income for its own pecuniary benefit. Isagenix does this with impunity by relying on vague, unenforceable provisions buried in the Policies & Procedures. Worse, since Isagenix cuts off the Associates income, the Associate is left without any funds to assert his or her rights, and this is what Isagenix counts on.

<sup>5</sup> A true and correct copy of the Isagenix promotional pamphlet is attached hereto as "Exhibit B."

1       22. The representation of lifetime residual income is a continuing promise  
2 repeatedly made by Isagenix to this day in its marketing materials and at its events.  
3

4 **The Bennetts**

5       23. The Bennetts enrolled as Isagenix Associates in March of 2002.

6       24. Upon enrollment, the Bennetts and Isagenix entered into an Isagenix  
7 Independent Associate Agreement (the “IIAA”), which incorporated the Isagenix “Policies  
8 and Procedures,” the Isagenix “Terms and Conditions,” and the Isagenix Compensation  
9 Plan.  
10

11       25. According to the IIAA, the Bennetts’ business could be terminated by Isagenix  
12 only for cause. In other words, the IIAA never gave Isagenix sole discretion to terminate or  
13 suspend the Bennetts’ business unless there was a material violation of the IIAA.  
14

15       26. Since entering the IIAA, the Bennetts never agreed to an amended version of  
16 the agreement. The only agreement the Bennetts were ever given notice of was the IIAA  
17 presented to them in March 2002.  
18

19       27. From March of 2002 to May of 2023, Isagenix continuously represented the  
20 MLM Promise to the Bennetts, thereby enticing them to continue building a thriving  
21 business so they could, at some point, live a more leisurely lifestyle by living off the residual  
22 income they worked so hard to build.  
23

24       28. Based on these representations, the Bennetts focused all of their time and  
25 resources building their Isagenix business. For the past two decades, Isagenix was the  
26 Bennetts’ sole career focus, and only source of income.  
27  
28



29. The Bennetts worked tirelessly to build their Isagenix business, and eventually were able to reach the prestigious rank of Executive within their first year at the company. Over the next twenty years, the Bennetts' business was amongst the highest ranked independent Associate at Isagenix, with 25 stars.

### The Amended IIAA

30. Apparently, in March 2023, Isagenix amended the IIAA (the "Amended IIAA"). The Amended IIAA contained a new provision which stated the following at Section 3.4 of the Policies & Procedures:

"Isagenix may, at its reasonable discretion, elect not to renew your Associate Contract. Isagenix will notify you of its intent not to renew on or before the anniversary of your enrollment."<sup>6</sup>

31. In other words, according to the Amended IIAA, Isagenix has the sole right to terminate an Associate's business as long as such decision is reasonable. This is contrary to the MLM Promise because it essentially allows Isagenix to take an Associate's business with impunity after they spent years building that business.

32. Isagenix never provided notice of the Amended IIAA to the Bennetts, nor did the Bennetts accept the terms of the Amended IIAA.

33. Despite all this, on May 25, 2023, absent any prior notice, the Bennetts received a letter from Kevin Heaphy, General Counsel for Isagenix (the "Letter"). A true and correct

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<sup>6</sup> This provision is ambiguous because the contract also states that Isagenix *will* automatically renew [the Associate's] IAAA" so long as the Associate pays a renewal fee. (Policies & Procedures §2.9). The Bennetts have always paid a renewal fee, which means Isagenix was obligated to automatically renew their positions. As such, there is a conflict between these provisions.

1 copy of the letter is attached hereto as “**Exhibit A.**”

2       34. The Letter stated that, pursuant to the Amended IIAA, Isagenix intended not to  
3 renew the Bennetts’ contract. The Letter explained that in doing so, the Bennetts’ Positions  
4 and corresponding accounts would be terminated on the dates indicated in the Letter.<sup>7</sup>  
5 Isagenix provided no reason for the termination other than relying on Section 3.4 of the  
6 Policies & Procedures in the Amended IIAA.  
7

8       35. Immediately upon receipt of the Letter, the Bennetts were locked out of their  
9 Backoffice, and therefore unable to communicate with or manage their downline, place  
10 orders, or interact with purchasers. The Bennetts were further prohibited from renewing their  
11 IIAA themselves.  
12

13       36. Since May 25, 2023, Isagenix has withheld all recurring payments of the  
14 Bennetts’ residual income. As of the date of filing, the Bennetts are still locked out of their  
15 Backoffice, and cannot place orders, renew their IIAA, nor can they supervise their  
16 downline.  
17

18       37. The Bennetts have three children, including a nine-year-old son, Holden, whom  
19 they adopted at birth. Holden is a special needs child, and to address his needs the Bennetts  
20 enrolled him in private school. The couple owns three houses, each with substantial  
21 mortgage payments. Absent their expected residual income, the Bennetts have no way of  
22 paying for their monthly expenses, food, medical bills, or other costs.  
23  
24  
25

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26 <sup>7</sup> The Bennetts held a total of five Positions. Jay Bennett held four Positions, and Siv Bennett held  
27 one Position. According to the letter, two of Mr. Bennett’s Positions were set to expire on June 17,  
28 2023, one was set to expire on June 23, 2023, and one set to expire on June 1, 2023. The Letter stated  
Siv Bennett’s Position was set to expire on June 1, 2023.

38. As a result of Isagenix's actions, the Bennetts have been damaged in an amount to be determined at trial. Because of the irreparable harm they will endure if their business is not returned, the Bennetts seek injunctive relief, ordering Isagenix to reestablish the Bennetts' access to their Backoffice so they can continue to manage and operate their business. Otherwise, the Bennetts' business is at risk of total destruction which cannot be restored by a legal remedy.

### **FIRST CLAIM FOR RELIEF**

#### **DECLARATORY JUDGMENT- THE AMENDED IIAA: RIGHT NOT TO RENEW**

#### **(By Plaintiffs against Isagenix)**

39. Plaintiffs incorporate all preceding paragraphs as though full set forth here.

40. The Amended IIAA includes the following provision:

"Isagenix may, at its reasonable discretion, elect not to renew your Associate Contract. Isagenix will notify you of its intent not to renew on or before the anniversary of your enrollment."

41. The Bennetts contend that this provision is unenforceable because they were not provided notice of the same, and because the provision renders the contract illusory. Moreover, the provision is unconscionable.

42. Isagenix contends the provision is enforceable, as evidenced by its reliance on the clause in the Letter.

43. Therefore, a dispute has arisen regarding the enforceability of the mentioned provision.

44. The Bennetts request that the Court enter judgment that the mentioned provision is unenforceable under Arizona and Federal Law.

**SECOND CLAIM FOR RELIEF**

**BREACH OF WRITTEN CONTRACT- THE IIAA**

**(By Plaintiffs against Isagenix)**

45. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.

46. A valid contract exists between Plaintiffs and Isagenix called the IIAA, which incorporates the Isagenix Policies and Procedures. The IIAA was entered between the parties in March, 2022.

47. According to the IIAA, Plaintiffs could only be terminated for cause.

48. Isagenix breached the contract by terminating Plaintiffs' business without cause.

49. Plaintiffs fully performed under the terms of the IIAA.

50. As a result of Isagenix's breach, Plaintiffs have been damaged in an amount to be proven at trial.

**THIRD CLAIM FOR RELIEF**

**BREACH OF WRITTEN CONTRACT- THE AMENDED IIAA**

**(By Plaintiffs against Isagenix)**

51. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.

52. Plaintiffs plead this claim in the alternative, in the event the Court finds the Amended IIAA to be the operative contract.

53. Plaintiffs and Isagenix entered into a written contract called the Amended IIAA.

1        54. The Amended IIAA states that Isagenix may terminate Plaintiffs' business for  
2 cause. Also, the Amended IIAA includes the following provision:

3                "Isagenix may, at its reasonable discretion, elect not to renew your Associate  
4 Contract. Isagenix will notify you of its intent not to renew on or before the  
5 anniversary of your enrollment."

6        55. The provision regarding Isagenix's right to not renew is unenforceable for the  
7 reasons stated above. Therefore, the only way Plaintiff's positions can be terminated is for  
8 cause.

9        56. Even if enforceable, Isagenix did not exercise the termination right  
10 "reasonably" as required, so that Isagenix breached the agreement by terminating.

11        57. Isagenix breached the Amended IIAA because it terminated Plaintiffs'  
12 positions without cause.  
13

14        58. The Bennetts fully performed under the contract.

15        59. As a result of Isagenix's breach, the Bennetts have been injured in an amount  
16 to be determined at trial.  
17

18  
19                                **FOURTH CLAIM FOR RELIEF**

20                   **BREACH OF WRITTEN CONTRACT- AMENDED IIAA: ANNUAL RENEWAL**

21                                **(By Plaintiffs against Isagenix)**

22        60. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.

23        61. Plaintiffs plead this claim in the alternative in the event the Court finds the  
24 Amended IIAA to be the operative contract.  
25

26        62. Plaintiffs entered a written contract with Isagenix called the Amended IIAA,  
27 which incorporates the Isagenix Policies and Procedures.  
28

63. The Isagenix Policies and Procedures in the Amended IIAA contain an Annual Renewal Provision that states:

**2.9 Annual Renewal**

You must renew your IIAA annually by paying the applicable renewal fee, plus any applicable taxes, by the anniversary date of your enrollment (Renewal Date). If you fail to renew by the Renewal Date, whether intentionally or not, you may forfeit your Position, compensation, and other benefits associated with your membership. **Automatic Renewal Charge.** As a convenience, if you place an order with your personal credit card within ninety (90) days before your renewal date, Isagenix will automatically renew our IIAA by charging the applicable renewal fee (plus any applicable tax) to the same credit card, provided it is your current method of payment on file at the time the fee is charged. Renewal fees will be charged approximately 5-7 days prior to your Renewal Date. If you do not wish to participate in this automatic renewal, you may opt out by contacting Customer Care at (877)877-8111 (Renewal fees are subject to charge upon prior notice to you. You will have the opportunity to terminate your IIAA before any such fee takes effect.)

64. Isagenix breached this provision by failing to automatically renew the Bennetts' IIAA, despite the fact that the Bennetts satisfied all conditions precedent by placing orders with their personal credit card within the 90-day period preceding the renewal date, and despite the fact for twenty years Isagenix renewed the agreement automatically.

65. The Bennetts fully performed under the Amended IIAA.

66. As a result of Isagenix's breach, the Bennetts have been injured in an amount to be determined at trial.

**FIFTH CLAIM FOR RELIEF**

**BREACH OF WRITTEN CONTRACT – THE AMENDED IIAA**

**(By Plaintiffs against Isagenix)**

67. Plaintiffs incorporate all preceding paragraphs as though full set forth here.

1       68. Plaintiffs plead this claim in the alternative in the event the Court finds the  
2 Amended IIAA to be the operative contract.

3       69. Plaintiffs entered a written contract with Isagenix called the Amended IIAA,  
4 which incorporates the Isagenix Policies & Procedures.

5       70. The Isagenix Policies and Procedures in the Amended IIAA contain a  
6 Voluntary Cancellation clause that states:  
7

8                   **3.4 Voluntary Cancellation of Your Associate Contract**  
9

10       You may cancel your Associate Contract, including your Position, in any one  
11 of the following ways: (a) at any time by signing and submitting a written  
12 request to Isagenix, (b) by failing or choosing not to pay your annual renewal  
13 fee when it is due, or (c) by failing or choosing not to engage in any Business  
14 Building Activity for six consecutive months or longer. Once your Associate  
15 Contract/Position has been cancelled, you may not reenroll or have a financial  
16 interest in another Position except in accordance with the reenrollment policy  
17 as provided in Policy 3.5. Isagenix may, at its reasonable discretion, elect not  
18 to renew your Associate Contract. Isagenix will notify you of its intent not to  
19 renew on or before the anniversary of your enrollment.

20       71. Isagenix breached this provision by failing to give the Bennetts the required  
21 notice regarding Isagenix's intent not to renew the Bennetts' IIAA on or before the  
22 anniversary of the Bennetts enrollment. The Bennetts enrolled in March of 2002; thus, the  
23 anniversary of their enrollment was in March. Isagenix notified the Bennetts of its intent not  
24 to renew the contract on May 25, 2023, via the Letter from the Isagenix General Counsel.

25       72. Even if Isagenix had timely notified the Bennetts of its intent not to renew their  
26 contract, Isagenix further breached Section 3.4 by denying the Bennetts access to their  
27 Backoffice prior to the expiration dates indicated in the Letter. The Bennetts were locked  
28 out of their Backoffice on May 25, 2023, while the Letter indicated the accounts would

1 expire in June of 2023. Thus, the Bennetts should have been afforded access to their  
2 Backoffice and paid until June of 2023.

3 73. Finally, Isagenix breached the provision by unreasonably exercising its  
4 discretion to terminate the Bennetts. Specifically, Isagenix terminated the Bennetts with no  
5 notice, no due process, and without cause. Therefore, Isagenix's did not exercise its  
6 discretion in a reasonable manner as required under the contract.  
7

8 74. The Bennetts fully performed under the terms of the Amended IIAA.  
9

10 75. As a result of Isagenix's breach, the Bennetts have been injured in an amount  
11 to be determined at trial.

12 **SIXTH CLAIM FOR RELIEF**

13 **BREACH OF CONTRACT- IMPLIED COVENANT OF GOOD FAITH AND FAIR**  
14 **DEALING – THE AMENDED IIAA**

15 **(By Plaintiffs against Isagenix)**

16 76. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.  
17

18 77. Plaintiffs plead this claim in the alternative in the event the Court finds the  
19 Amended IIAA enforceable.  
20

21 78. The Amended IIAA is a valid, enforceable, binding contract between the  
22 Bennetts and Isagenix.  
23

24 79. An implied covenant of good faith and fair dealing is inherent in every contract,  
25 including the Amended IIAA.

26 80. Isagenix breached the implied covenant of good faith and fair dealing by  
27 interfering with the Bennetts' ability to perform under the Amended IIAA.  
28



81. Section 2.9 of the Independent Associate Agreement states:

**2.9 Annual Renewal**

You must renew your IIAA annually by paying the applicable renewal fee, plus any applicable taxes, by the anniversary date of your enrollment (Renewal Date). If you fail to renew by the Renewal Date, whether intentionally or not, you may forfeit your Position, compensation, and other benefits associated with your membership. **Automatic Renewal Charge.** As a convenience, if you place an order with your personal credit card within ninety (90) days before your renewal date, Isagenix will automatically renew our IIAA by charging the applicable renewal fee (plus any applicable tax) to the same credit card, provided it is your current method of payment on file at the time the fee is charged. Renewal fees will be charged approximately 5-7 days prior to your Renewal Date. If you do not wish to participate in this automatic renewal, you may opt out by contacting Customer Care at (877)877-8111 (Renewal fees are subject to charge upon prior notice to you. You will have the opportunity to terminate your IIAA before any such fee takes effect.)

82. When Isagenix prematurely restricted the Bennetts access to their Backoffice, Isagenix interfered with the Bennetts' ability to pay the renewal fee. When Mrs. Bennett attempted to call customer service to manually renew the Amended IIAA, she was unable to do so because Isagenix had deleted the accounts linked to the Bennetts' Positions. When Isagenix prematurely locked the Bennetts out of the Backoffice, the Bennetts could not place product orders or otherwise renew their Amended IIAA.<sup>8</sup>

83. Additionally, Isagenix breached the implied covenant of good faith and fair dealing by acting in such a way that deprived the Bennetts of the benefits they reasonably expected under the contract. Isagenix unreasonably exercised its discretion not to renew the Bennetts IIAA absent fair and honest reasons. In doing so, Isagenix adversely affected the

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<sup>8</sup> This allegation is being plead in the alternative if it is found that Plaintiffs were unable to pay the renewal fee.

1 Bennetts residual income, which they reasonably expected as a benefit of the Amended  
2 IIAA.

3 84. As a result of Isagenix's breach of the implied covenant of good faith and fair  
4 dealing, the Bennetts have been injured in an amount to be determined at trial.  
5

6 **SEVENTH CLAIM FOR RELIEF**

7 **BREACH OF ORAL CONTRACT**

8 **(By Plaintiffs against Isagenix)**

9  
10 85. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.

11 86. The Bennetts entered into an oral agreement with Isagenix relating to the  
12 payment of residual income. According to the terms of the oral agreement, Isagenix  
13 promised to pay the Bennetts residual income for as long as their downline continued to  
14 produce business and the Bennetts were in good standing. In exchange, the Bennetts  
15 continued to build their downlines and ensure the success of their Positions.  
16

17 87. The Bennetts performed under the contract by building their downline and  
18 ensuring their Positions continued to produce business.  
19

20 88. Isagenix breached the agreement by ceasing payment of residual income owed  
21 to the Bennetts.

22 89. Isagenix was not excused from performing under the contract.  
23

24 90. As a result of the breach, the Bennetts were injured in an amount to be  
25 determined at trial.

26  
27 ///

28 ///

**EIGHTH CLAIM FOR RELIEF**

**PROMISSORY ESTOPPEL**

**(By Plaintiffs against Isagenix)**

91. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.

92. Isagenix promised the Bennetts payment of residual income for as long as their downlines generated revenue. This promise is evidenced in the email sent by Isagenix CEO Kathy Coover to Jay Bennett on March 22, 2002, which states, in part:

“Every month in addition to all the new sales flowing through your Binary there will be many auto-ship orders for \$50.00 or \$100.00 worth of whole sale [sic] product. These steady repeat monthly orders are what keep the long term residual money pumping through our Binary. This creates the potential for a walk away retirement income!!...With only 2400 people (1/3-2/3) in your Binary ordering \$100.00 of wholesale product each month you have the potential to earn a steady residual income of up to \$25,000.00 per month!! Can you and your team build a downline of 240 people or 2,400 people or more??? If you can then you can build a retirement income with Isagenix International Inc.”

93. The email is electronically signed by Kathy Coover.

94. A true and correct copy of the email is attached hereto as “**Exhibit C.**”

95. Isagenix made the promise of residual income reasonably foreseeing the Bennetts would rely upon the promise by enrolling with Isagenix.

96. The Bennetts substantially and materially changed their position based on this promise by enrolling with Isagenix seven days later, on March 29, 2002.

97. The Bennetts relied to their detriment on the promise of residual income by building their downline and making the residual income their sole source of income.

98. The Bennetts reliance on the promise of residual income was justifiable because the promise was reaffirmed by Isagenix numerous times. On August 11, 2015, Jay

1 Bennett forwarded the March 22, 2002 email to Kathy Coover with the message “Kathy- A  
2 Beautiful Memory from the past \_ [sic] Look at the date of this e-mail JB[.]” On August 12,  
3 2015, Kathy Coover responded to the message saying, “Wow I cannot believe you still have  
4 this! This message is so true See you soon[.]”

5  
6 99. Isagenix’s termination of the residual income on May 25, 2023 was an act  
7 inconsistent with the promise.

8  
9 100. The Bennetts reliance on the promise was detrimental because the Bennetts  
10 invested all of their time and professional resources into Isagenix based thereon.

### 11 **NINTH CLAIM FOR RELIEF**

#### 12 **FRAUD – INTENTIONAL MISREPRESENTATION**

#### 13 **(By Plaintiffs against Isagenix)**

14  
15 101. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.

16 102. As set forth with specificity above, Isagenix represented to the Bennetts that if  
17 their Positions met certain thresholds, the Bennetts were entitled to receive residual income.

18 103. These representations were made by Isagenix when Plaintiffs joined and  
19 continued to be made to this day in its marketing materials as shown above, at corporate  
20 events, and in emails. For example, on March 22, 2002, the date Jay Bennett enrolled with  
21 Isagenix, Isagenix CEO Kathy Coover sent an email that stated, in pertinent part:  
22

23 “Every month in addition to all the new sales flowing through your Binary there  
24 will be many auto-ship orders for \$50.00 or \$100.00 worth of whole sale [sic]  
25 product. These steady repeat monthly orders are what keep the long term residual  
26 money pumping through our Binary. This creates the potential for a walk away  
27 retirement income!! With only 240 people (1/3-2/3) in your Binary ordering  
28 \$100.00 of wholesale product each month you have the potential to earn a steady  
residual income of up to \$25,000 per month!! Can you and your team build a  
downline of 240 people or 2400 people or more??? If you can then you can build

1 a retirement income with Isagenix International Inc.... If your [sic] looking for a  
2 long term stable home that will support you and your dreams for the rest of your  
3 life...You've found it!!" Kathy Coover reaffirmed this message in reply to Jay  
4 Bennetts email on August 12, 2015, when Kathy Coover remarked "Wow I cannot  
believe you still have this [email]! This message is so true See you soon[.]"A true  
and correct copy of the email thread is attached hereto as "**Exhibit C.**"

5 104. Isagenix's representations about residual income were false because when an  
6 Associate, like the Bennetts, achieves residual income, Isagenix terminates that Associate  
7 without any cause so that it can confiscate the residual income for its own pecuniary benefit.  
8

9 105. Isagenix's representations about residual income were material because they  
10 induced individuals like the Bennetts to enroll with Isagenix as Associates and build a  
11 business to financial success.  
12

13 106. Isagenix knew that its representation regarding residual income was false at the  
14 time they were made. In truth, Isagenix always believed it could confiscate an Associate's  
15 business with impunity for any or no reason; however, it concealed these intentions from the  
16 Bennetts and other Associates when the representations were made.  
17

18 107. Isagenix made these representations with the intent to recruit additional  
19 Associates. As set forth with specificity above, Isagenix included statements touting the  
20 benefits of residual income in marketing and promotional materials, which were disbursed  
21 to incentivize individuals to enroll with Isagenix.  
22

23 108. At all relevant times, the Bennetts were unaware of Isagenix's true intentions.

24 109. The Bennetts relied on Isagenix representations about residual income devoting  
25 more than twenty years of their career exclusively to Isagenix. Since 2002, the Bennetts have  
26 not participated in any other business venture, nor have they derived income from any other  
27  
28

1 profession. The Bennetts justifiably presumed they would be awarded the residual income  
2 earned by their Positions.

3 110. The Bennetts reliance was justifiable because for the last two decades the  
4 Bennetts were automatically renewed and received their residual income as promised. The  
5 Bennetts had no reason to believe Isagenix would unilaterally and arbitrarily decide to cease  
6 payments.  
7

8 111. The Bennetts suffered damages due to Isagenix's representations because,  
9 absent their residual income, the Bennetts have no source of income, nor any other prospects  
10 of gainful employment.  
11

12 112. As a result of Isagenix's fraudulent misrepresentation, the Bennetts were  
13 injured in an amount to be determined at trial.  
14

15 113. Isagenix's actions were premeditated and were done with oppression, malice,  
16 and a complete disregard for the rights of the Bennetts. Therefore, in addition to Bennetts'  
17 other damages, Isagenix is liable for punitive and exemplary damages.  
18

19 **TENTH CLAIM FOR RELIEF**

20 **NEGLIGENT MISREPRESENTATION**

21 **(By Plaintiffs against Isagenix)**

22 114. Plaintiffs incorporate all preceding paragraphs as though set forth fully here.  
23

24 115. The Bennetts plead this claim for relief in the alternative.

25 116. Isagenix provided false information regarding the payments of residual income  
26 to Associates, as evidenced above.  
27  
28

1 117. Isagenix intended or reasonably knew that individuals, like the Bennetts, would  
2 rely on representations of residual income. Isagenix knew that the representations about  
3 residual income would attract additional Associates and intended the representations about  
4 residual income to incentivize enrollment.  
5

6 118. Isagenix failed to exercise reasonable care in communicating the  
7 representations about residual income. Specifically, Isagenix failed to disclaim that Isagenix  
8 retained the authority to cease payments of residual income at any time.  
9

10 119. The Bennetts justifiably relied on the representations regarding residual income  
11 by devoting more than twenty years of their career exclusively to Isagenix. After enrolling  
12 as Associates, the Bennetts did not participate in any other business venture, nor did they  
13 derive income from any other profession. The Bennetts justifiably presumed they would be  
14 awarded the residual income earned by their Positions.  
15

16 120. The Bennetts reliance was justifiable because for the last two decades the  
17 Bennetts were automatically renewed and did in fact receive their residual income as  
18 promised. The Bennetts had no reason to believe Isagenix would unilaterally and arbitrarily  
19 decide to cease payments.  
20

21 121. The Bennetts suffered damages due to Isagenix's representations because,  
22 absent their residual income, the Bennetts have no source of income, nor any other prospects  
23 of gainful employment.  
24

25 122. As a result of Isagenix's negligent misrepresentations, the Bennetts were  
26 injured in an amount to be determined at trial.  
27  
28

**ELEVENTH CLAIM FOR RELIEF**

**TORTIOUS INTERFERENCE WITH BUSINESS EXPECTANCY**

**(By Plaintiffs against Isagenix)**

123. Plaintiffs incorporate all preceding paragraphs as though fully set forth here.

124. The Bennetts had identifiable, valid business relationships with prospective Isagenix customers and Associates. Prior to being locked out of the Backoffice, the Bennetts' Positions had several pending orders that would have been filled but for Isagenix terminating their accounts. Furthermore, the Associates in Plaintiffs' downline would have continued to make sales of Isagenix product, and as a result, Plaintiffs would have continued to earn residual income.

125. Isagenix had knowledge of the business expectancy because when the Bennetts sold Isagenix products to customers, they did so by placing an order that notified Isagenix of the purchase. Furthermore, Isagenix was fully aware of the prospects of residual income, as that is what it touted to the field of Associates in order to increase its sales.

126. Isagenix intentionally caused the termination of the business expectancy by locking the Bennetts out of their back office, and thus prohibiting the Bennetts from completing, placing, or correcting product orders.

127. Isagenix's interference with the business expectancy did in fact cause the termination of the Bennett's relationship with prospective customers.

128. As a result of Isagenix' interference, the Bennetts suffered damages in an amount to be determined at trial.



**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray for judgment as follows:

1. For compensatory damages according to proof at trial, including damages for emotional distress;
2. For punitive damages;
3. For a determination that the section 3.4 in the Amended IIAA is unenforceable under Arizona law;
4. For recovery of attorney fees pursuant to Arizona law including, but not limited to, A.R.S. § 12-341.01(A), A.R.S. § 12-349; and the terms of the parties' agreements, and for the recovery of costs pursuant to A.R.S. § 12-341;
5. For any other relief this Court deems just and proper.

**JURY DEMAND**

Pursuant to Fed.R.Civ.P. 38(b), Plaintiffs Jay Bennett and Siv Bennett demand a trial by jury of all issues raised in this Complaint that are triable by jury.

Dated: June 9, 2023

**JENNINGS HAUG KELEHER MCLEOD LLP**

/s/ Michael H. Orcutt

Michael H. Orcutt

*Attorney for Plaintiffs*

Dated: June 9, 2023

**WELLMAN & WARREN LLP**

/s/ Chris Wellman

Chris Wellman

*Attorney for Plaintiffs*

UNITED STATES DISTRICT COURT  
DISTRICT OF ARIZONA

**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. This form is authorized for use only in the District of Arizona.

**The completed cover sheet must be printed directly to PDF and filed as an attachment to the Complaint or Notice of Removal.**

**Plaintiff(s): Jay Bennett ; Siv Bennett ; Kesha Marketing Inc.**

**Defendant(s): Isagenix International, LLC**

County of Residence: Outside the State of Arizona

County of Residence: Maricopa

County Where Claim For Relief Arose: Maricopa

Plaintiff's Atty(s):

Defendant's Atty(s):

**Michael H. Orcutt (Jay Bennett ; Siv Bennett ; Kesha Marketing Inc. )**

**JENNINGS HAUG KELEHER MCLEOD LLP**

**2800 N. Central Avenue, Suite 1800**

**Phoenix, Arizona 85004**

**602-234-7800**

II. Basis of Jurisdiction: **4. Diversity (complete item III)**

III. Citizenship of Principal

Parties (Diversity Cases Only)

Plaintiff:- **2 Citizen of Another State**

Defendant:- **4 AZ corp or Principal place of Bus. in AZ**

IV. Origin : **1. Original Proceeding**

V. Nature of Suit: **190 Other Contract**

VI.Cause of Action: **Eleven (11)**

VII. Requested in Complaint

Class Action: **No**

Dollar Demand: **Excess of 10,000,000**

Jury Demand: **Yes**

VIII. This case is not related to another case.

**Signature:** Michael H. Orcutt

**Date:** 06/09/2023

If any of this information is incorrect, please go back to the Civil Cover Sheet Input form using the *Back* button in your browser and change it. Once correct, save this form as a PDF and include it as an attachment to your case opening documents.

Revised: 01/2014