

IN THE UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

Ron and Lisa Simmons,
Brenterprises, L.P.

Charles Scott Sykes, Jr. d/b/a
CSS Technology Associates
and Sykes & Associates

CIVIL ACTION NO. 4:07CV00389

Plaintiffs,

VS.

QUIXTAR. INC.

Defendant.

**PLAINTIFFS' FIRST AMENDED COMPLAINT AND APPLICATION FOR
TEMPORARY RESTRAINING ORDER**

TO THE HONORABLE COURT:

Ron and Lisa Simmons, Brenterprises, L.P., and Charles Scott Sykes, Jr. d/b/a CSS Technology Associates and Sykes & Associate (hereinafter referred to as "Plaintiffs"), complain of QUIXTAR, INC. (hereinafter referred to as "Defendant"), and say:

II. THE PARTIES

a. Plaintiffs

2.1. Plaintiffs, Ron and Lisa Simmons, are individuals residing in the Collin County, Texas and doing business in Collin County, Texas. These Plaintiffs conduct their QUIXTAR business at 2805 North Dallas Parkway, Suite 450, Plano, Texas 75093 in Collin County, Texas. These Plaintiffs are QUIXTAR Independent Business Owners (“IBOs”) or distributors affiliated with QUIXTAR.

2.2 Plaintiff, Brenterprises, L.P. is a Texas limited partnership doing business in Tarrant County, Texas at 1602 Westminister Trail, Roanoke, Texas 76262. This Plaintiff is a QUIXTAR Independent Business Owner (“IBO”) or distributor affiliated with QUIXTAR.

2.3 Plaintiff, Charles Scott Sykes, Jr. d/b/a CSS Technology Associates and Sykes & Associates is an individual residing in the Dallas County, Texas and doing business in Dallas County, Texas. This Plaintiff conducts his QUIXTAR business at 6623 Hunters Ridge Drive, Dallas, Texas 75248 in Dallas County, Texas. This Plaintiff is a QUIXTAR Independent Business Owner (“IBO”) or distributor affiliated with QUIXTAR.

b. Defendant

2.4 Defendant, QUIXTAR, Inc. is a Quixtar is a Michigan corporation whose address and principal place of business is 5101 Spaulding Plaza, Ada, Michigan 49355. Quixtar has been

operating as a multi-level marketing company since 1999 and is the successor-in-interest to the Amway Corporation (“Amway”). QUIXTAR is doing business and engaged business in the State of Texas and has appointed Ct Corporation System, 350 N. Paul Street, Dallas, Texas 75201 as its registered agent in the State of Texas for service of process. Plaintiffs request that service of process on this Defendant be by serving the registered agent.

III. JURISDICTION

3.1. The court has jurisdiction over this lawsuit and is jurisdictionally competent to render judgment in this matter.

3.2. This court is a court of law and equity.

3.3. The amount in controversy and the relief sought is within the jurisdictional limits of this court.

3.4. This suit has been removed to federal court based on diversity of citizenship.

IV. VENUE

4.1. Venue is proper in Eastern District of Texas.

V.

PRELIMINARY STATEMENT

5.1 Plaintiffs are only three of thousands of Quixtar IBOs who have been threatened over past several weeks with irreparable injury by Quixtar by terminating their business affiliation and distributorships with Quixtar without cause or justification. This is not simply a breach of contract dispute. Instead, it is a dispute over ownership.

Quixtar claims ownership of a distribution network. Plaintiffs claim ownership of the same network. Quixtar, which promised Plaintiffs that their distributorships were their own property, their own independent business—a business which could serve as a source of residual income for the rest of the lives of the Plaintiffs; a business that could be willed to their survivors; a business that could be run independently and never taken away from them as long as they operated within the rules—has taken steps to destroy Plaintiffs’ network and intimidate members of that network, sometimes with outright lies.

Quixtar is a multi-level marketing concern. Although the details of the company’s operations are complex, it basically works like this: An Independent Business Owner (“IBO”) signs a contract with Quixtar acknowledging that he or she is an independent contractor who can purchase Quixtar products and sell Quixtar products to others. Each IBO’s relationship with Quixtar is, in many respects, analogous to an “outside” salesperson in a more traditional business model. Quixtar emphasizes the freedom of such an arrangement, which is seen as preferable to a traditional “9 to 5” job. In particular, Quixtar emphasizes that IBOs are building their own businesses—which can be bought, sold, transferred, and even left to the beneficiaries of their estates. These “distributorships” are the property of the IBOs. As Quixtar’s web site currently explains:

The Quixtar business opportunity offers entrepreneurs the ability *to have a web-based business of their own*. Embraced by hundreds of thousands of Independent Business Owners (IBOs) and often copied but never duplicated, the opportunity is like no other.

If you’ve seen the Land of Will and Won’t Becomes Will ads, you know the opportunity is about hope, freedom, family, and reward. It’s about possibilities, dreams, and seeing the glass as half full.

Quixtar's proven Independent Business Owner Compensation Plan enables IBOs to earn income on business volume resulting from their efforts. The business is truly performance-based, rewarding IBOs more than \$370.1 million in bonuses and incentives in fiscal 2006, and more than \$2.2 billion since 1999.

To launch a Quixtar business, individuals must sign a registration contract with an existing IBO. In addition to enabling IBOs to earn income through the Quixtar Independent Business Owner Compensation Plan, the contract also binds all IBOs to abide by Quixtar's Rules of Conduct. Interested in learning more? Check out the experiences of IBOs who have built successful Quixtar businesses and of those who choose to partner with Quixtar.¹

Where Quixtar's business plan departs from a traditional "outside sales" job is in the form of the compensation. IBO's don't merely profit from their own sales. They also profit from the sales of IBOs they recruit. In the Quixtar vernacular, recruits (and recruits of recruits) are referred to as a given IBO's "downline." Although the mathematics are slightly more complicated than this, the gist of this is that an IBO with a large number of "downline" IBOs makes more money than an IBO who individually sells products door to door. In the Quixtar vernacular, IBOs who are successful recruiters develop "recurring income." Most, if not all, successful Quixtar IBOs spend significantly more time recruiting new IBOs than retailing Quixtar products. As Quixtar's IBO Compensation Plan indicates, "It is important to note that IBOs who register others generally have higher average volume [i.e., make more money] than those who don't register others."²

Quixtar provides rules concerning how new IBOs can be recruited, but the company provides little guidance concerning the skill set necessary to recruit new IBOs to a business

¹ <http://www.quixtar.com/about/>, last visited 8-30-07.

² <http://www.quixtar.com/documents/iwov/vis/010-en/pdf/IBO%20Support/BusForms/SA4400.pdf>, last visited 8-30-07.

model that has received a significant amount of negative press and is often greeted with skepticism. To fill this niche, IBOs themselves have created “systems”—essentially sets of “business support” materials (BSMs), lectures, and events. Often, these materials fall into the categories of self-help books, how-to books, and motivational speeches.

Quixtar does not own any of the “systems” and only profits from them indirectly, through the recruitment of new IBOs. The relationship between Quixtar and the “systems” has always been an uneasy one. Because of the fact that so many Quixtar IBOs quit the business each year, Quixtar recognizes the need for “systems.” However, the “systems” are businesses unto themselves; they are not IBOs and have no direct contractual relationship with Quixtar. See, for example, *Nitro Distrib., Inc. v. Alticor, Inc.*, 453 F.3d 995, 999 (8th Cir. 2006). Therefore, they are not subject to Quixtar’s direct control. *Id.* Quixtar has attempted to exert control over the “systems” by enacting rules that limit the ways in which IBOs can use “systems,” for example:

7. Business Support Materials

Some IBOs offer for sale to other IBOs in their Personal Group a variety of business aids such as books, magazines, flip charts and other printed materials, online literature, internet websites, audio and video media, rallies, meetings and educational seminars, and other types of materials designed to assist IBOs in building their businesses, which are not offered by the Corporation (“Support Materials” or “SM”). Materials relating to prospecting, the Sales Plan, motivation and/or administration and management of the IBO's business are referred to as Business Support Materials (“BSM”). Products and materials support the sale of products or services offered through the Corporation are Product Support Materials (“PSM”) as defined and governed by Rule 7.10. SM are entirely optional and IBOs who choose to sell, purchase, or utilize such SM must comply with this Rule. IBOs who choose to sell or distribute SM must emphasize that the purchase of SM is strictly voluntary; no IBO may ever require another IBO to purchase any SM. IBOs may not sell BSM to prospects, including Members or

Clients. Authorized PSM may be sold to IBOs, Members and Clients, but only in accordance with Rule 4.14 and 7.10.

The Corporation does not endorse the representations made in any SM. The Corporation's review is solely for determination of compliance with its Rules of Conduct and business practices and policies.

* * *

7.2.1. IBOs shall not use or distribute any BSM, which contain any presentation, explanation, or illustration of the IBO Plan, or any part thereof unless expressly authorized by the Corporation as provided herein. This includes IBO Sales Plan training material. The content of BSM must comply with the Rules of Conduct and shall not infringe in any way on the Corporation's copyrights, trademarks, or other intellectual property rights.

* * *

7.2.3. IBOs may produce BSM dealing with general subjects of a "how-to" nature, including "how to sell products," "how to conduct training meetings," "how to manage inventory," "how to motivate people," and "motivational success stories," etc. However, BSM dealing with "how to show the IBO Plan" must be expressly authorized by the Corporation. In addition to the requirements set forth in 7.2.5 below, such BSM shall bear the legend "For Existing IBOs Only."

* * *

7.2.5. IBOs who have received authorization to use BSM from the Corporation in accordance with these Rules of Conduct shall place on the BSM the following legend or its equivalent: "Content Reviewed," followed by the content review identification number. The Corporation reserves the right to limit the duration of such authorization, provided however, that should the BSM be revised before the expiration of such authorization, the revised BSM must be resubmitted for authorization prior to republishing.³

Quixtar's enforcement mechanism for the rules it has created can be harsh, including the termination of a distributorship without any compensation to the terminated party:

³ <http://www.quixtar.com/About/default.aspx?cid=4175&pid=639>, last visited 8-30-07.

12. Enforcement of the Rules

The Corporation reserves the sole right to enforce the Rules of Conduct, and to sanction violating IBOs as necessary in order to preserve the goals and purpose of the IBO Plan. The Business Conduct and Rules Department shall have the authority to enforce the Rules of Conduct. In order to promote compliance with these Rules, the Business Conduct and Rules Department shall have the right to impose various sanctions including, but not limited to, those listed below.

* * *

12.9. Terminating the IBO's business.⁴

Eventually, Quixtar's rules and penalties concerning "systems" must come into conflict with its assertions that IBOS are "independent" and own their distributorships. This is the case here, where Plaintiffs' affiliation with a particular "system," known as "TEAM," has caused Quixtar to threaten Plaintiffs' distributorships. Plaintiffs have never been accused of doing anything wrong. In fact, they have done nothing wrong. The former leaders of TEAM have brought suit against Quixtar in California and Quixtar has retaliated by threatening terminate anyone who purchases books and tapes from TEAM and offers them for resale. The books and tapes have previously been approved for distribution by Quixtar but, in retaliation for the aforementioned California lawsuit, Quixtar unilaterally withdrew its approval of the tapes. Plaintiffs herein have accumulated substantial inventory of the business support materials from Team and were counting on the profits from those sales to achieve their financial objectives. In clear restraint of trade, Quixtar has now declared that anyone who resells Business support materials that were produced by Team is subject to termination. Simply put, because they are

⁴ *Id.*

affiliated with the TEAM system, Quixtar has threatened to terminate the distributorships of the Plaintiffs.

Plaintiffs maintain that they own their distributorships and networks of distributors—which they have built through the sweat of their own brows—and that Quixtar should not be able to divest them of their property by fiat.

None of the Plaintiffs herein are plaintiffs in the California action. It is not the contention of Quixtar that any of the Plaintiffs herein have violated any of the rules of conduct that govern their so-called independent distributorships. The Plaintiffs herein merely purchase and resell business support materials from an organization called Team which was at one time led by the people who have brought suit against Quixtar in California.

The threatened termination will cause Plaintiffs irreparable injury to their businesses and business reputations if Quixtar is not immediately enjoined from disrupting Plaintiffs' business operations and enterprises. Based on Quixtar's threats and continual disparagement and interference with Plaintiffs' business commerce, Plaintiffs' business revenue and income will forever be eliminated and lost if a TRO is not issued. Plaintiffs have spent countless hours and substantial sums of money building their e-commerce network businesses, and have invested not only money but their personal reputations, and their personal goodwill with other distributors and with family and friends at the urging of Quixtar.

There is no legal remedy that could adequately account for the loss of reputation and personal goodwill (as well as damages) that will be sustained by Plaintiffs if Quixtar is not enjoined from its unlawful and unjustified actions. Plaintiffs request that the Court intervene in this matter, issuing a TRO to preserve the status quo of all business relationships that existed

prior to Quixtar's unlawful actions and that the status of the business relationships that existed on August 1, 2007 be ordered maintained until a full evidentiary hearing can be heard.

VI. STATEMENT OF FACTS

On August 9, 2007, a lawsuit was filed against Quixtar by a nationwide class of IBOs in the United States District Court for the Central District of California, Los Angeles division. The outcome of this lawsuit would substantially affect the interests of the parties to this complaint since it seeks, *inter alia*, to invalidate certain unlawful positions Quixtar has asserted against its distributors, including Plaintiffs. [See, Plaintiff, Ron Simmons Aff. [hereinafter referred to as "Simmons" at ____] at ¶ 18.. Ex. 2, Class Action Complaint.]

In response and in retaliation to the California challenge to Quixtar's actions, Quixtar launched an unprecedented attack on all distributors in the line of sponsorship and who were presumed to be affiliated in a business support business with those who are the Plaintiffs in the California suit. Here is what Quixtar has done. First, it threatened everyone in Plaintiffs' downline as follows:

Dear Platinum IBO,

We realize this past week has been difficult for your organization and your group. The actions taken by the company (terminating the individuals who sued Quixtar) were necessary and critical to preserve the legality of this business and the potential it represents for all IBOs. It's critical that all IBO leaders build this business in compliance with the Rules of Conduct, which are in place for the long-term protection of the Quixtar business for all IBOs. These rules allowed us to take action against those whose actions were intended to cause you harm, including some business leaders in your upline.

As a leader, the Corporation relies on you to abide by Quixtar's Rules of Conduct and to assist in their enforcement. The Team organization has been put on notice

that they no longer are an authorized supplier of IBO education and training to Quixtar IBOs. It is important for **you** to know that the sale, distribution, and/or promotion of any Team-related business support materials (BSMs), including Team-sponsored meetings or functions, to Quixtar IBOs violates the Quixtar Rules of Conduct. Continued sale, distribution, or promotion by Quixtar IBOs of Team BSMs places an IBO at risk of action being taken against their Quixtar business, up to and including termination. We ask that you exercise your responsibility as a leader to make sure that IBOs downline of you also understand this point clearly.

Also, please remember that Quixtar IBOs are prohibited from involvement in another multilevel marketing or direct selling business that sells competing products (Rule 6.5). In fact, you may not participate in another multilevel marketing or direct selling business that sells competing products for a period of six months *after* your date of resignation or termination (Rule 6.5.4). *Further*, for a period of two years following resignation or termination, you must not solicit another IBO to join a competing business (Rule 6.5.2).

Quixtar IBOs are bound by provisions in their contract that protect Quixtar's trade secrets and the businesses of innocent Quixtar IBOs. You must not use confidential Quixtar information, including Line of Sponsorship information, for any purpose other than that authorized by the Corporation (Rule 4.27).

Quixtar is aware that there are Team-related IBOs who do not have an accurate understanding of the Quixtar business. In order to correct business-building practices taught by Team, the Corporation intends to provide training to you and your group, with the goal that all IBOs understand the importance of, among other things, positioning the business properly with prospects and building depth within the Rules.

At this time, we need a signed commitment from you that you intend to continue your business in full compliance with the criteria listed above. Signing this letter in the space provided below signals to us that you are committed to pursuing a Quixtar business within the Rules of Conduct and that you will no longer promote the use of Team BSMs. Please send a copy of this letter bearing your signature via fax to 616/787-4691 by Noon, EST, Monday, August 20, 2007. If we do not hear from you by that time, your business will be suspended by close of business Monday.

Should your business be suspended and you believe that this has occurred in error, you do have access to Quixtar's Dispute Resolution Process through which you may appeal the suspension.

We hope you will continue to lead your organization as the company makes unprecedented investments in the business, including \$60 million in new money in Quixtar Business Incentives. We stand ready to support all IBOs who choose to continue as IBOs and build their businesses in full compliance with the rules and in an open, transparent, and ethical manner.

Then, while this Court's TRO was in force, Quixtar sent the following email to members of Plaintiffs' downline organization:

Dear IBO:

Please see the attached Opinion and Order from the Kent County Circuit Court in the case of Quixtar, Inc. v. Orrin Woodward, Laurie Woodward, Chris Brady, and Terri Brady. As you will see, the letter enjoins the Woodwards and Bradys from "(1) using their Line of Sponsorship to sell, distribute, promote competing products, services, or other business ventures, or otherwise interfering in the business of Quixtar or its IBOs; (2) soliciting, recruiting, or attempting to recruit other IBOs to Compete with Quixtar's business or take actions not in conformity with its Rules of Conduct; and (3) disparaging or intentionally diminishing the reputation of Quixtar."

We want you to be aware that under the Michigan Court Rules, this injunction is binding upon not only on the Woodwards, Bradys, and their officers, agents, servants, employees, and attorneys, but also on those persons in active concert or participation with them who receive actual notice of the order.

This message clearly implies—just as Quixtar has already unsuccessfully argued to this Court—that all Quixtar IBOs are bound by a Michigan Court's ruling. The actual ruling (with which the

Court is already familiar) does not say anything like that.. The rule referred to does not exist. The company is intentionally misleading its own IBOs by publishing an extraordinarily sharp summary of the Michigan Court's ruling in an attempt to destroy Plaintiffs' businesses by intimidating and misleading their downlines.

In 1999, when Amway launched an e-commerce company in the United States to expand its multi-level marketing business and to shift focus away from the legal and regulatory difficulties Amway had endured through the years, the newly created company, Quixtar, adopted the Amway business model in addition to the internet-based business.

Both Amway IBOs and newly recruited IBOs could choose whether they wanted to participate in the Amway company or the newly created internet-based Quixtar business. By 2001, the vast majority of Amway IBOs had joined the Quixtar business and Amway shut down its operations in the United States. Amway still operates throughout the world, but Quixtar has become the operational equivalent of Amway in the United States.

IBOs sign uniform distributor contracts with Quixtar to market and sell the Quixtar line of products, including vitamins, cosmetics, hair care, cookware, and home care products. The IBOs allegedly purchase products from Quixtar at wholesale and then work to sell them retail for an increased price, thus pocketing the margin. The contracts expire each year but are often automatically renewed electronically by virtue of the IBO merely checking a box on the internet that gives permission to automatically renew the distributorship. Unbeknownst to IBOs, however, is that the terms of the deal can be changed without notice to the IBO and the IBO merely by the passage of time allegedly becomes bound to an entirely new set of rules.

Quixtar filed a complaint for a TRO against IBOs Orrin and Laurie Woodward and Chris and Terri Brady on August 10, 2007 in state court in Michigan. A TRO was issued by the Court, enjoining the Woodwards and Bradys from operating a competing multi-level marketing company or soliciting other Quixtar IBOs into this business. The Woodwards and Bradys had entered into the Quixtar uniform distributor contract and had resigned their businesses prior to participating in the IBO class action lawsuit filed in the Central District of California.

The Woodwards and Bradys do not own or operate a competing business. The Woodwards and Bradys at one time operated a business support training business that functions and exists entirely independently from Quixtar, namely, TEAM. The Woodwards and Bradys have resigned their positions from TEAM and the business of TEAM continues under the direction individuals not associated with the aforementioned California class action.

TEAM does not have a contractual relationship with Quixtar.

On the heels of the distributor class action lawsuit and the TRO issued against the Woodwards and Bradys, Quixtar has begun a campaign to disparage and defame the TEAM business and all IBOs associated with TEAM, and as part of Quixtar's scheme Plaintiffs have been targeted for harassment, disparagement and ultimately, termination.

On August 9, 2007, Quixtar sent the above-referenced message to all TEAM, Legacy, and Team 5K affiliated IBOs. (Legacy and Team 5K are other tools businesses that support Quixtar IBOs. Members of both Legacy and Team 5K are named plaintiffs in the distributor class action lawsuit against Quixtar.) The email message is entitled, "What Team has taught you regarding business building may put you at legal and regulatory risk – but we can help." In the body of the message, Jim Payne explains that the TEAM business operated inappropriately and

taught the IBOs improper or unlawful techniques. Payne states that TEAM-trained IBOs might be operating contrary to Quixtar policies and may be violating the law.

The IBOs trained or supported by TEAM had never heard these allegations before August 9. William Newton, an IBO, contacted Jim Payne at Quixtar at the beginning of July 2007 to determine TEAM's status with Quixtar. Mr. Payne assured Mr. Newton that Quixtar did not anticipate any issues with TEAM.

In an August 10, 2007, email to all Diamonds and above, Line of Affiliation heads, and business managers, Quixtar again states that the TEAM business practice puts "all IBOs at serious and immediate risk of legal and regulatory action." The next day Quixtar sent a similar email to all qualified Platinum's and above, entitled "IBO Leader Update about Team," stating that Quixtar "will work with those [IBOs] who agree to abide by the company's rules and maintain high ethical standards." Each of these emails, among others, state that the Woodward and Bradys were terminated; that the TEAM model is faulty and exposing affiliated IBOs to legal action; and state that the Woodward and Bradys have a competing business in violation of the Quixtar Rules. The e-mail statements by Quixtar and its upper Corporate officials are false, misleading and deceptive representations of materially false statements of fact that were intended to deceive and mislead Quixtar distributors and disparage those distributors who have affiliated with TEAM.

These statements are causing damage to the personal and business reputations of IBOs affiliated with TEAM. Several IBOs have stopped working because they do not have enough information to know if they are operating illegally. Entire downlines are questioning the leadership and credibility of their uplines. New IBOs are quitting. Multiple IBOs wish to resign their businesses but fear Quixtar's retaliation, as witnessed by the Woodward and Bradys.

The Platinum and above IBOs are wasting their time trying to hold their business organizations and downlines together instead of focusing on building their businesses. Momentum has stopped. Volume is down and the IBOs are ordering fewer products. Some downlines are no longer purchasing products at all. It is all the distributors can do at this point to just hold their business organizations together. The Plaintiffs are afraid to introduce new IBOs into the business for fear that they will immediately start receiving the negative emails from Quixtar and get a bad impression of the business. So many new IBOs have already quit that these fears are well-founded.

For an IBO, his stock in trade is his goodwill and his ability to generate enthusiasm in his business organization and downline. When this enthusiasm is diminished with false accusations and broad generalizations, it is impossible to gauge the depth and longevity of the harm. Quixtar is destroying the reputation, goodwill, and enthusiasm of Plaintiffs.

Moreover, Quixtar is communicating with IBOs affiliated with TEAM to determine whether they intend to join the distributor class action and whether they will swear loyalty and allegiance to Quixtar over TEAM, the Woodwards, or the Bradys.

On August 15, 2007, a representative of Quixtar telephoned IBO Plaintiff, Bruce Brennan, to determine whether Brennan had been solicited by TEAM to join a competing multi-level marketing business. The Quixtar representative asked where Brennan stood and stated that he would be receiving an email asking for confirmation on whether he would pledge his loyalties to Quixtar.

Quixtar sent another email to all TEAM affiliated Platinum-level IBOs and above on Friday, August 17, 2007, requiring a "signed commitment" as to whether the IBOs individually intend to continue their businesses with Quixtar in "full compliance" with some newly

established criteria. The IBOs had until Monday, August 20, at noon to respond affirmatively or else Quixtar has vowed to suspend their businesses. The new provisions require all Platinum's and above to discontinue their use of TEAM materials and to disavow the TEAM business model:

As a leader, the Corporation relies on you to abide by Quixtar's Rules of Conduct and to assist in their enforcement. The Team organization has been put on notice that they no longer are an authorized supplier of IBO education and training to Quixtar IBOs. It is important for you to know that the sale, distribution, and/or promotion of any Team-related business support materials (BSMs), including Team-sponsored meetings or functions, to Quixtar IBOs violates the Quixtar Rules of Conduct. Continued sale, distribution, or promotion by Quixtar IBOs of Team BSMs places an IBO at risk of action being taken against their Quixtar business, up to and including termination. We ask that you exercise your responsibility as a leader to make sure that IBOs downline of you also understand this point clearly.

The email falsely implies that Plaintiffs are violating the Quixtar rules: Rule 6.5 prohibits IBOs from competing in other multi-level marketing companies; Rule 6.5.4 prohibits such competition for six months after resignation or termination; Rule 6.5.2 prohibits solicitation of other IBOs for two years after resignation or termination; and Rule 4.27 protects Quixtar confidential information. Plaintiffs have received these e-mail communications. (See, Aff. Simmons at ¶ 24.)

Quixtar has contacted members of Plaintiffs' business organizations and made disparaging remarks against the Plaintiffs and their business associates in an attempt to irreparably harm Plaintiffs' business organizations and destroy Plaintiffs' businesses. (See, Aff. Simmons at ¶ 25.)

Quixtar has, without justification or cause, interfered and continues to interfere with Plaintiffs' business organizations and business associations and to call into question Plaintiffs' business and personal reputations. (See, Aff. Simmons at ¶ 26.)

Quixtar has utilized the confidential business information of Plaintiffs, namely the identity of Plaintiffs' customers and downline distributors and IBOs, to design a plan of action to disrupt, disparage and interfere with Plaintiffs' business contracts and relationships without cause and solely in retaliation for being questioned about the lawfulness of Quixtar's current business model. The scope and breadth of Quixtar's interference and disparagement cannot be fully determined, and it is on-going. (See, Aff. Simmons at ¶ 27.)

The actions and conduct of Quixtar have tortuously interfered with Plaintiff's prospective business relationships and have chilled the economic growth of Plaintiffs' business to a degree that is irreparable. (See, Aff. Simmons at ¶ 29.)

Quixtar and all those others, including the top Corporate officials of Quixtar, have formed a civil conspiracy to interfere with the business relations and contracts, both existing and future, between Plaintiffs and their business organizations that continues today and is causing irreparable harm. (See, Aff. Simmons at ¶ 30).

Quixtar has failed to follow its own Rules of Conduct that govern and administer the relationship between Plaintiffs and Quixtar and Plaintiffs' business organizations. (See, Aff. Simmons at ¶ 31.)

VII.

FIRST CAUSE OF ACTION

BREACH OF CONTRACT

7.1 Plaintiffs incorporate fully herein paragraphs I. -VI. of this Petition the same as if the allegations were repeated in this paragraph.

7.2 Defendant has breached its Contract and agreement with Plaintiffs.

7.3 Defendant's breach is a proximate and producing cause of Plaintiffs' irreparable harm as alleged herein.

7.4 Plaintiffs seek a Temporary Restraining Order requiring that Defendant cease and desist from continuing and future breaches of the contract and agreements between Plaintiffs and Defendant which are causing Plaintiffs' irreparable harm.

7.5 Plaintiffs seek a Preliminary and Permanent Injunction requiring that Defendant cease and desist from continuing and future breaches of the contract and agreements between Plaintiffs and Defendant which are causing Plaintiffs' irreparable harm.

7.6 Plaintiffs seek the recovery of all costs and expenses, including attorneys' fees, incurred by Plaintiffs in enforcing Plaintiffs' rights, in addition to any and all other damages or remedy afforded to Plaintiff, if any.

6.7 Plaintiff seeks all remedies available to Plaintiff at law and in equity.

VIII.

SECOND CAUSE OF ACTION

INTERFERENCE WITH BUSINESS AGREEMENTS AND BUSINESS RELATIONSHIPS

8.1 Plaintiffs incorporate fully herein paragraphs I. -VII. of this Petition the same as if the allegations were repeated in this paragraph.

8.2 The facts of this case show that Defendant has intentionally and without justification interfered with the business contracts, agreements and relationships between

Plaintiffs and their downline business associates and distributors, and with future business relationships.

8.3 Defendant has violated Defendant's own Rules of Conduct by, *inter alia*, breaching confidentiality of disputes fabricated by Defendant, distributing false, misleading and deceptive statements and disparaging and slandering Plaintiffs' business, and by failing to provide Plaintiffs with due process notice prior to disparaging Plaintiffs.

8.4 Defendants have all refused to cease and desist from these unlawful acts despite demands that it do so.

8.5 Plaintiffs seek a Temporary Restraining Order requiring that Defendant follow the Quixtar Rules of Conduct and cease and desist from interfering with Plaintiffs' business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

8.6 Plaintiffs seek a Preliminary and Permanent Injunction requiring that Defendant follow the Quixtar Rules of Conduct and cease and desist from interfering with Plaintiffs' business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

8.7 Plaintiffs seek the recovery of all costs and expenses, including attorneys' fees, incurred by Plaintiffs in enforcing Plaintiffs' rights.

8.8 Plaintiff seeks all remedies available to Plaintiff at law and in equity.

THIRD CAUSE OF ACTION

TORTIOUS INTERFERENCE WITH PROSPECTIVE BUSINESS RELATIONS

9.1 Plaintiffs incorporate fully herein paragraphs I. -VIII. of this Petition the same as if the allegations were repeated in this paragraph.

9.2 The facts of this case show that Defendant has intentionally and without justification interfered with the business contracts, agreements and relationships between Plaintiffs and their downline business associates and distributors, and with future business relationships.

9.3 Defendant has violated Defendant's own Rules of Conduct by, *inter alia*, breaching confidentiality of disputes fabricated by Defendant, distributing false, misleading and deceptive statements and disparaging and slandering Plaintiffs' business, and by failing to provide Plaintiffs with due process notice prior to disparaging Plaintiffs.

9.4 Defendants have all refused to cease and desist from these unlawful acts despite demands that it do so.

9.5 Plaintiffs seek a Temporary Restraining Order requiring that Defendant follow the Quixtar Rules of Conduct and cease and desist from interfering with Plaintiffs' prospective business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

9.6 Plaintiffs seek a Preliminary and Permanent Injunction requiring that Defendant follow the Quixtar Rules of Conduct and cease and desist from interfering with Plaintiffs'

business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

9.7 Plaintiffs seek the recovery of all costs and expenses, including attorneys' fees, incurred by Plaintiffs in enforcing Plaintiffs' rights.

9.8 Plaintiff seeks all remedies available to Plaintiff at law and in equity.

X.

FOURTH CAUSE OF ACTION

**INTERFERENCE WITH BUSINESS AGREEMENTS AND BUSINESS
RELATIONSHIPS**

10.1 Plaintiffs incorporate fully herein paragraphs I. -IX of this Petition the same as if the allegations were repeated in this paragraph.

10.2 The facts of this case show that Defendant has intentionally and without justification interfered with the business contracts, agreements and relationships between Plaintiffs and their downline business associates and distributors, and with future business relationships.

10.3 Defendant has violated Defendant's own Rules of Conduct by, *inter alia*, breaching confidentiality of disputes fabricated by Defendant, distributing false, misleading and deceptive statements and disparaging and slandering Plaintiffs' business, and by failing to provide Plaintiffs with due process notice prior to disparaging Plaintiffs.

10.4 Defendants have all refused to cease and desist from theses unlawful acts despite demands that it do so.

10.5 Plaintiffs seek a Temporary Restraining Order requiring that Defendant follow the Quixtar Rules of Conduct and cease and desist from interfering with Plaintiffs' business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

10.6 Plaintiffs seek a Preliminary and Permanent Injunction requiring that Defendant follow the Quixtar Rules of Conduct and cease and desist from interfering with Plaintiffs' business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

10.7 Plaintiffs seek the recovery of all costs and expenses, including attorneys' fees, incurred by Plaintiffs in enforcing Plaintiffs' rights.

10.8 Plaintiff seeks all remedies available to Plaintiff at law and in equity

XI.

FIFTH CAUSE OF ACTION

BUSINESS DISPARAGEMENT

11.1 Plaintiffs incorporate fully herein paragraphs I. –X. of this Petition the same as if the allegations were repeated in this paragraph.

11.2 The facts of this case show that Defendant has intentionally and without justification disparaged Plaintiffs' business, the business contracts, agreements and relationships between Plaintiffs and their downline business associates and distributors, and with future business relationships.

11.3 Defendant has violated Defendant's own Rules of Conduct by, *inter alia*, breaching confidentiality of disputes fabricated by Defendant, distributing false, misleading and deceptive statements and disparaging and slandering Plaintiffs' business.

11.4 Defendants have all refused to cease and desist from these unlawful acts despite demands that it do so.

11.5 Plaintiffs seek a Temporary Restraining Order requiring that Defendant cease and desist from disparaging Plaintiffs' business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

11.6 Plaintiffs seek a Preliminary and Permanent Injunction requiring that Defendant cease and desist from disparaging Plaintiffs' business contracts and relationships, and from disparaging Plaintiffs' businesses and the other Quixtar distributors who associate with Plaintiffs.

11.7 Plaintiffs seek the recovery of all costs and expenses, including attorneys' fees, incurred by Plaintiffs in enforcing Plaintiffs' rights.

11.8 Plaintiff seeks all remedies available to Plaintiff at law and in equity

XII.

SIXTH CAUSE OF ACTION

FRAUD

12.1 Plaintiff incorporates fully herein paragraphs I. –XI. of this Petition the same as if the allegations were repeated in this paragraph.

12.2 Defendant has committed fraud against Plaintiffs.

12.3 Defendant and those in active concert with Defendant have lied and misrepresented the features and advantages of becoming a Quixtar distributor, and have defrauded Plaintiffs into building a network of Quixtar distributors under false pretenses.

12.4 Defendant intentionally and with malice misrepresented a material fact about Plaintiffs' distributor business.

12.5 All of the representations by Defendant and those in active concert with Defendant were false and known by Defendant to be false when made and were only made to induce Plaintiffs to trust them and to build Plaintiffs' businesses using the Quixtar system.

12.6 Defendant has breached Defendant's duty to act with integrity of the strictest kind.

12.7 Defendant owes Plaintiffs a duty of fair and honest dealing. Defendant has breached the duty of fair and honest dealing.

12.8 Defendant owes Plaintiffs a duty of full disclosure. Defendant has breached Defendants' duty of full disclosure.

12.9 Plaintiffs seek the recovery of actual damages for Plaintiffs caused by Defendant's fraud.

12.10 Defendant's fraud was done intentionally and willfully by Defendant and those in active concert with Defendant in that, *inter alia*, the Defendant intended to gain an additional unwarranted benefit by its actions.

12.11 Plaintiff seeks recovery of exemplary and punitive damages against Defendant.

12.17 Plaintiffs seek the recovery of all costs and expenses, including attorneys' fees, incurred by Plaintiffs as a result of Defendant's fraud

12.18 Plaintiff seeks all remedies available to Plaintiffs at law and in equity.

XIII.

DECLARATORY ACTION RELIEF

13.1. Plaintiffs incorporate fully herein paragraphs I. -XII. of this Petition the same as if the allegations were repeated in this paragraph.

13.2. Plaintiffs seek a Declaration from the court pursuant to Chapter 37 of the Texas Civil Practices and Remedies Code that the conduct and actions of Defendant as described herein violate Texas law and breach the distributor agreement and Rules of Conduct, and violate Texas law.

13.3 Plaintiffs further seek a Declaration from the court that certain provisions contained in the Rules of Conduct are unenforceable, to wit, the arbitration rule set forth in section 11.5 of the Rules of Conduct. Said Rule constitutes a contract of adhesion inasmuch as it was not the product of fair and free negotiation nor a meeting of the minds of the parties to the contract. Additionally, said Rule was not agreed to in writing as required by Texas and Federal law. Rather, the Rule is the product of automatic renewals of the IBO business. Moreover, Quixtar's application of the arbitration provisions of its Rules is unconscionable. Quixtar/Amway/Alticor has contracted exclusively with JAMS to arbitrate disputes.

Quixtar/Amway/Alticor requires its IBOs to submit to arbitration by JAMS with only arbitrators that Quixtar/Amway /Alticor has specifically “trained.” Additionally, on information and belief, by contract JAMS is not permitted to arbitrate the enforceability of the actual contract between the IBOs and the Company, only the interpretation of the contract and cannot therefore resolve disputes of the type before this court. Additionally, such provisions were enacted without fair notice to the parties to the contract, thereby rendering the provisions unenforceable. Additionally, said provisions were not the product of separate consideration and are therefore unenforceable.

13.4 Plaintiffs further seek a Declaration from the court that certain additional provisions contained in the Rules of Conduct are unenforceable, to wit, the dispute resolution process set forth in section 11.1 through 11.4 of the Rules of Conduct. Said Rules constitutes a contract of adhesion inasmuch as they were not the product of fair and free negotiation nor a meeting of the minds of the parties to the contract. The Rules are the product of automatic renewals of the IBO business and therefore subject ot attack on notice grounds. Specifically, such provisions were enacted without fair notice to the parties to the contract, thereby rendering the provisions unenforceable. Additionally, said provisions were not the product of separate consideration and are therefore unenforceable. Additionally, givent he termination of certain IBOs who have been central to the Dispute Resolution Process, the process itself has been compromised to the point of being incapable of offering a fair resolution to the conflicts at issue in this case.

13.5 In the alternative, Plaintiffs seek a declaration of this Court that, because the company’s contract with its IBOs has been materially altered without the consent of the IBOs

and without free and fair negotiation or a meeting of the minds and without fair notice to the parties, the entire contract is unenforceable and is null and void. The contract, if enforced and interpreted the way Quixtar/Amway/ Alticor urges, is illusory and fraudulent, unsupported by consideration, and is a contract of adhesion. If interpreted as Quixtar/Amway/Alticor urges, the contract does not create Independent Business Owners but rather employees who have no property rights in the business they have toiled to build.

13.6 Plaintiffs seek the recovery of attorney's fees pursuant to section 37.009 of the Texas Civil Practices and Remedies Code.

XIV.

EQUITABLE RELIEF --INJUNCTION

14.1 Plaintiffs hereby reincorporate and adopt by reference for all purposes each and every allegation in the preceding paragraphs numbered I. through XIII. of this Original Petition.

14.2 Plaintiffs seek a temporary restraining order, preliminary and permanent injunction enjoining the unlawful conduct of Defendant and those in active concert with Defendant as described herein.

XV.

JURY TRIAL

15.1 Plaintiff demands a jury trial on all issues triable to a jury and tenders the appropriate fee with this petition.

XVI.

APPLICATION FOR TEMPORARY RESTRAINING ORDER

16.1 Plaintiff asks the court to grant Plaintiff's request for a temporary restraining order without hearing as prayed for below because of the urgent nature of the unlawfulness of Defendants' actions and because the immediate relief by Plaintiff requested does not interfere with the business operations of Defendants, it merely requires that Defendant and those in active concert with Defendant stop disparaging Plaintiff's business and stop interfering with Plaintiffs' existing and future business relationships and prospective business relationships, and not terminate Plaintiffs' distributorships.

16.2 It is probable that Plaintiff will recover from Defendants after a trial on the merits because Defendants' conduct as described herein is clearly unlawful and the facts as plead by Plaintiff and as confirmed by the affidavits in support of Plaintiff's application clearly show that Defendant is acting in a clearly unlawful manner.

16.3 If Plaintiff's application is not granted, harm is imminent because Plaintiff not have an adequate remedy at law to prohibit Defendants' continual unlawful actions and to stop Defendants' disparagement and interference with Plaintiff's business relationships.

16.4 The harm that will result if the temporary restraining order is not issued is irreparable because Plaintiffs have no adequate remedy at law and the disparagement to Plaintiffs' business reputation and the interference is on-going and cannot be adequately compensated by damages.

16.5 Plaintiff has no adequate remedy at law because the full extent of the harm caused by Defendants cannot be calculated.

16.6 There is not enough time to serve notice on Defendant and to hold a hearing on this application. Time is of the essence because each day the interference and disparagement continues and the threat of termination by Defendant looms over Plaintiffs. . (See, Aff. Simmons at ¶ 23.)

16.7 In support of Plaintiff's application for a Temporary Restraining Order, Plaintiff offers the court the Affidavits of Plaintiffs which are attached to this Petition and incorporated and adopted herein for all purposes.

16.8 Plaintiffs are willing to post a bond.

XVII.

REQUEST FOR TEMPORARY INJUNCTION

17.1 Plaintiffs asks the court to set Plaintiffs' application for temporary injunction for a hearing and, after the hearing, issue a temporary injunction against Defendant as prayed for below.

XVIII.

REQUEST FOR PERMANENT INJUNCTION

18.1 Plaintiff asks the court to set his request for a permanent injunction for a full trial on the merits and, after the trial, issue a permanent injunction against Defendant as prayed for below.

XIX.

CONDITIONS PRECEDENT

19.1 All conditions precedent have been performed or have occurred.

XX.

REQUEST FOR DISCLOSURE

20.1 Under Texas Rule of Civil Procedure 194, Plaintiff requests that Defendant disclose, within 50 days of the service of this request, the information or material described in Rule 194.2.

XXI.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully request and pray that the Court grant Plaintiffs the following relief:

TEMPORARY RESTRAINING ORDER RELIEF

1. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, interfering with the Plaintiffs' business relationships and business expectancies;

2. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, sending verbal, written or electronic communications to business associates, and upline or downline business partners of Plaintiffs related to the matters complained about in the Original Petition on file in this action, including, but not limited to alleged violations of the Rules of Conduct, use of TEAM materials and attendance at TEAM meetings and conferences, and threats to suspend or terminate any Quixtar distributors business based on the matters alleged in the Original Petition in this case;

3. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly terminating or threatening to terminate the distributorships or businesses of Plaintiffs, and all those other IBOs who associate or relate with Plaintiffs businesses;

4. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or

participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, disparaging Plaintiffs, Plaintiffs' businesses, and the business associates and business associations Plaintiffs may choose to participate in;

5. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, communicating with any Quixtar distributor related to the matters complained about in the Original Petition on file in this action, except for the communication required in paragraph 10;

6. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, destroying, altering, disposing of, consuming, tampering with or in any manner secreting any and all business records, memos, correspondence, e-mails, letters, memos, electronic communications or other paper and electronic documentation relating to or referring in any manner to the matter and facts alleged in the Original Petition on file in this action;

7. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, taking any adverse action against any distributor of Quixtar related to the matters and facts alleged in the Original Petition on file in this action;

8. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, refusing to pay any bonus to any Quixtar distributor related to the matters and facts alleged in the Original Petition on file in this action;

9. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, interfering or prohibiting, in any way, the operation of TEAM as a business support system for Plaintiffs and all other similarly effected Quixtar distributors and IBOs, and from taking any action to shut down or interfere with TEAM's business;

10. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, shall deliver a copy of this Order and a copy of Plaintiffs' Original Petition to all Quixtar distributors in North America by electronic transmission through either e-mail or facsimile within 24 hours of Defendant's receipt of this Order;

11. Actual notice of this Order shall be effective by delivery of a copy of this Order by hand, by United States mail by certified delivery return receipt requested, by courier or private delivery service, by facsimile, by e-mail or by any other reasonable means of delivery to Defendant, Quixtar, or Defendant's officers, registered agent, or attorneys.

TEMPORARY INJUNCTION RELIEF

That after the temporary injunction hearing, Defendant and Defendant's officers, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with Defendant, be enjoined immediately until trial pursuant to the following Order:

1. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, interfering with the Plaintiffs' business relationships and business expectancies;

2. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, sending verbal, written or electronic communications to business associates, and upline or downline business partners of Plaintiffs related to the matters complained about in the Original Petition on file in this action, including, but not limited to alleged violations of the Rules of Conduct, use of TEAM materials and attendance at TEAM meetings and conferences, and threats to suspend or terminate any Quixtar distributors business based on the matters alleged in the Original Petition in this case;

3. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or

indirectly terminating or threatening to terminate the distributorships or businesses of Plaintiffs, and all those other IBOs who associate or relate with Plaintiffs businesses;

4. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, disparaging Plaintiffs, Plaintiffs' businesses, and the business associates and business associations Plaintiffs may choose to participate in;

5. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, communicating with any Quixtar distributor related to the matters complained about in the Original Petition on file in this action, except for the communication required in paragraph 10;

6. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, destroying, altering, disposing of, consuming, tampering with or in any manner secreting any and all business records, memos, correspondence, e-mails, letters, memos, electronic communications or other paper and electronic documentation relating to or referring in any manner to the matter and facts alleged in the Original Petition on file in this action;

7. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, taking any adverse action against any distributor of Quixtar related to the matters and facts alleged in the Original Petition on file in this action;

8. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, refusing to pay any bonus to any Quixtar distributor related to the matters and facts alleged in the Original Petition on file in this action;

9. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, are hereby restrained and enjoined immediately from, directly or indirectly, interfering or prohibiting, in any way, the operation of TEAM as a business support system for Plaintiffs and all other similarly effected Quixtar distributors and IBOs, and from taking any action to shut down or interfere with TEAM's business;

10. Defendant, Quixtar, and Defendant's' respective officers, managers, trustees, agents, servants, employees, attorneys, confederates and all other persons in active concert or participation with them, shall deliver a copy of this Order and a copy of Plaintiffs' Original Petition to all Quixtar distributors in North America by electronic transmission through either e-mail or facsimile within 24 hours of Defendant's receipt of this Order;

11. Actual notice of this Order shall be effective by delivery of a copy of this Order by hand, by United States mail by certified delivery return receipt requested, by courier or private delivery service, by facsimile, by e-mail or by any other reasonable means of delivery to Defendant, Quixtar, or Defendant's officers, registered agent, or attorneys.

Plaintiffs further pray that Plaintiffs be awarded the following relief:

1. That Plaintiff be awarded Plaintiff's costs and reasonable attorney's fees in this court and all other courts.
2. That Plaintiff be awarded pre-judgment and post-judgment interest, to the extent permitted at law.
3. That the Court enter an Declaratory Judgment declaring that the

Defendant's conduct and actions violate the law

4. That Plaintiffs have such other and further relief, both at law and in equity, as the Court deems just and right.

Respectfully submitted,

By: /s/ Wm. Charles Bundren

Wm. Charles Bundren, Esq.

Attorney-in-Charge

State Bar No. 03343200

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ATTORNEY FOR PLAINTIFFS

CERTIFICATE OF SERVICE

This is to certify that on this 31st day of August, 2007, a true and correct copy of the foregoing was served in accordance with the Federal Rules of Civil Procedure, by electronic service, to:

Mark Steiner, Esq.

Jackson & Walker, LLP

901 Main Street

Suite 6000

Dallas, Texas 75202

ATTORNEY FOR DEFENDANT

/s/ Wm. Charles Bundren, Esq

