

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

ZRII, LLC, )  
 )  
 Plaintiff, )  
 )  
 v. ) Civil Action No. \_\_\_\_\_  
 )  
 WELLNESS ACQUISITION GROUP, )  
 INC., KIRBY ZENGER, CLINT MCKINLAY, )  
 CURTIS CALL, JASON DOMINGO, and )  
 KEITH FITZGERALD )  
 )  
 Defendants. )

**VERIFIED COMPLAINT**

Plaintiff, Zrii, LLC (“Zrii” or “the Company”), for its verified complaint against Defendants Wellness Acquisition Group, Inc. (“WAG”), Kirby Zenger (“Zenger”), Clint McKinlay (“McKinlay”), Curtis Call (“Call”), Jason Domingo (“Domingo”), and Keith Fitzgerald (“Fitzgerald”) (WAG, Zenger, McKinlay, Call, Domingo, and Fitzgerald are collectively referred to hereinafter as “Defendants”) alleges as follows:

**PARTIES**

1. Zrii is a limited liability company formed under the laws of the State of Delaware with its principal place of business at 14183 South Minuteman Drive, Draper, Utah 84020.

2. WAG is a Delaware corporation formed on January 29, 2009, and having as its registered agent The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington Delaware 19801. On information and belief, WAG was formed by the individual defendants and others for the purpose of wrongfully crippling

Zrii so as to make it vulnerable to acquisition at a fire-sale price and/or to destroy Zrii, all for the benefit of WAG and the individual defendants.

3. Zenger is, on information and belief, a resident of the State of Utah. Zenger was an officer of Zrii and held the title of General Manager of Zrii. Zenger was placed in a position of trust and responsibility at Zrii, having responsibility for the day-to-day and long term operation of Zrii. As a result of the trust and confidence placed in him, Zenger had access to Zrii proprietary information, including Zrii trade secrets.

4. McKinlay is, on information and belief, a resident of the State of Utah. McKinlay was an officer of Zrii and held the position of Vice President of Sales. McKinlay was placed in a position of trust and responsibility at Zrii, having significant management responsibilities, along with Zenger, Call and others, in the area of sales. As a result of the trust and confidence placed in him, McKinlay had access to Zrii proprietary information, including Zrii trade secrets.

5. Call is, on information and belief, a resident of the State of Utah. Call was an officer of Zrii and held the position of Vice President of Sales. Call was placed in a position of trust and responsibility at Zrii, having significant management responsibilities, along with Zenger, McKinlay and others, in the area of sales. As a result of the trust and confidence placed in him, Call had access to Zrii proprietary information, including Zrii trade secrets.

6. Domingo is, on information and belief, a resident of the State of California. Domingo was an Independent Executive of Zrii, and more particularly was the “Master Distributor” of Zrii, meaning that he was the most senior of all Zrii Independent Executives (“IEs”)/distributors. Domingo was also a “Ten Star Independent

Executive” (“TSIE”). TSIEs consist of the highest level IEs under the Master Distributor. Domingo, as well as all other Zrii IEs, signed an Independent Executive Agreement (“IEA”) and agreed to be bound by the Zrii Policies and Procedures (“ZPP”). Domingo had access to confidential and trade secret information of Zrii by reason of his position as Master Distributor.

7. Fitzgerald is, on information and belief, a resident of the State of New Hampshire. Fitzgerald was an IE of Zrii, signed an IEA and agreed to be bound by the ZPP. Fitzgerald was an instigator in the formation of WAG and the scheme to weaken and acquire Zrii and/or irreparably damage it, and acted in concert with Defendants Zenger, McKinlay, Call, Domingo and WAG.

#### **Background and Organization of Zrii**

8. Zrii is a network marketing company founded in February 2007. Zrii specializes in nutritional drink supplements based primarily on the Indian fruit known as Amalaki. The success of Zrii is closely linked, *inter alia*, to the working relationship between two groups; namely, the Zrii corporate management team and the Zrii network of distributors, or IEs.

9. The Zrii corporate management team supervises and implements customer service, supply agreements and logistics with vendors, order tracking and delivery, automatic shipments, information technology, payment of IE compensation, marketing materials, tracking and regulatory issues, etc. The Zrii executive management team included seven individuals, namely Defendants Kirby Zenger (General Manager), Curtis Call (Vice President sales), Clint McKinlay (Vice President sales) and other executive management team members Tracy Harward (VP marketing), Ryan Thompson (VP sales),

Bart Graser (VP finance) and Gene Tipps (VP operations). These managers will be collectively referred to hereinafter as the Zrii “Executive Management Team” or “EMT.” Defendants Zenger, McKinlay and Call are sometimes collectively referred to as the “EMT Defendants.”

10. The trustworthiness of the EMT was particularly important to the success of Zrii, as the founder and CEO of Zrii, William F. Farley (“Farley”) lives in Illinois and the headquarters of Zrii are in the Salt Lake City, Utah area. As a result, virtually every facet of the day-to-day operations of Zrii was controlled and executed by the EMT. The EMT controlled the flow of electronic communications between Zrii and the field, the ordering and delivery of product, the creation and distribution of marketing materials, supervision of enrollment of IEs, payment of IE compensation, etc. If the corporate headquarters of Zrii shut down, it would, and in fact did (as a consequence of Defendants’ scheme) result in the shutdown of Zrii.

11. Zrii believes that the best way to market and sell its quality products is through people and organizations that know and believe in the products. The people who fill that role at Zrii are the IEs. Satisfied IEs talk to their friends and acquaintances about the product, those friends and acquaintances become excited about the product, and talk to their friends and acquaintances, etc. As word of the benefits of Zrii’s products spreads, more and more IEs sign up, and the network expands. IEs receive compensation based not only on their own sales, but on the sales of those who have joined the Zrii IE network through their efforts. For this reason, it is important to individual IEs to enroll others as IEs, and for those IEs to enroll yet other Zrii IEs. IEs as a group are called the

“field,” referring to the fact that they are in the “field” or marketplace, as opposed to those who work at corporate headquarters.

12. In order to become an IE, the individual (or individual representing an entity that will be the IE) must sign the Zrii IEA. One of the express terms of the IEA is that the IE will comply with the ZPP. During the term of the IEA, the ZPP prohibits Zrii IEs from recruiting or soliciting other Zrii IEs to enroll as distributors for any other network marketing company. For a period of six months following termination of an IE’s IEA, the ZPP prohibits IEs from recruiting any Zrii IE to enroll as a distributor of any other network marketing company.

13. IEs who enroll “under” a particular IE, including second, third, etc. generations, are referred to as the “downline” or “genealogy” of a particular IE. The highest level IEs at Zrii are known as “Ten Star Independent Executives.” Lower level IEs look to TSIEs for advice and leadership. TSIEs are important in the Zrii organization because they have significant influence over their downlines, and are critical to Zrii’s efforts to expand the number of active IEs. Until the first week of February 2009, Zrii had seven TSIEs. They were Defendant Domingo, Tyler Daniels, Marcell Niederhauser, Seth Mulder, Marc Shinsato, Robert Gonzalez, and Andreas Boettcher. Hereafter, these individuals will be collectively referred to as “the TSIEs.”

### **The Defendants’ Unlawful Scheme**

14. Defendants, in concert with others, secretly put in motion an unlawful scheme to strip Zrii of value and/or destroy it through illegal means. The goal of this scheme was to enable Defendants to coerce Zrii to agree to be acquired at fire sale values and/or make it so weak that it could not continue. The Defendants are still pursuing that

scheme. The following is a brief chronology of the scheme, insofar as Zrii has been able to uncover it to date. All of the acts set forth below were done in order to further the Defendants' scheme to unlawfully acquire Zrii or put it out of business.

15. The unlawful scheme of the Defendants and others included, *inter alia*, the following goals and designs:

- a. To form WAG as an instrumentality to acquire Zrii and/or engineer its destruction;
- b. To cause Zrii employees to walk off the job so as to make it impossible for Zrii to service the needs of its existing and potential IEs;
- c. To convert Zrii proprietary information to their own use and benefit, so that Zrii would be destroyed using its own proprietary information;
- d. To take and retain property of Zrii, including laptop computers and other materials containing Zrii proprietary information;
- e. To sabotage Zrii's computer network system, including locking Zrii's CEO and its vendors out of the system, interfering with Zrii's ability to access the network, and retention by the EMT of passwords and other tools necessary to access the Zrii system;
- f. Unlawful solicitation of Zrii IEs to move to another network marketing company;
- g. To coerce Zrii to allow itself to be acquired by the Defendants or to destroy Zrii to the benefit of the Defendants; and

- h. To otherwise unlawfully interfere with the economic and contractual relations of Zrii with its IEs, employees and others.

### **The Unlawful Scheme**

#### **Third Week of January 2009 – The Hawaii Meeting**

16. During the third week of January 2009, Farley, the EMT and TSIEs participated in a retreat in Hawaii to review operations and discuss strategies for moving Zrii forward. Defendant Fitzgerald attended at the request of Defendant Domingo, at the expense of Zrii. The retreat ended on or about Thursday, January 22, 2009, at which time Farley left and returned to the mainland. The TSIEs, the EMT, and Fitzgerald told Farley that they wanted to stay in Hawaii for another day after the end of the retreat to work on Zrii company business. That statement was false.

17. In fact, the EMT, TSIEs and Fitzgerald used the extra time in Hawaii to secretly develop and further the scheme. On information and belief, the secret scheme to acquire Zrii and/or cripple it through unlawful conduct was conceived and executed on Zrii time, at Zrii expense, with Zrii assets, and using Zrii employees, Zrii IEs and Zrii agents.

18. On January 29, 2009, WAG was formed as part of the unlawful scheme to unlawfully acquire and/or cripple Zrii, at the instigation and at the instruction of the EMT Defendants, Domingo and Fitzgerald, among others.

**11:30 p.m. Sunday February 1, 2009 – 3:30 a.m. Monday February 2**

**The Schemers Secretly Sabotage the Zrii Computer Network and Delete /  
Tamper With Electronic and Hard Copy Files In the Dark of Night**

19. Access to the business premises of Zrii is restricted by key card. The security system at Zrii logs the comings and goings of all personnel by recording when key cards are used to enter the buildings.

20. The key card logs at Zrii demonstrate that beginning at approximately 11:00 p.m. on Sunday, February 1, and continuing through approximately 3:30 a.m. on Monday, February 2, 2009, members of the EMT, including Defendants Zenger and Call, and EMT members Bart Graser, Gene Tipps and Ryan Thompson entered various parts of Zrii headquarters. At the direction of these and other members of the EMT, Zrii IT personnel, including Clint Hoaldrige, George Palischuk, and perhaps others, also entered various parts of the building.

21. On information and belief, the Zrii EMT and IT personnel were at Zrii in the middle of the night on February 1 – 2 to sabotage Zrii's computer and other systems, and thereby cripple Zrii's ability to operate normally. There was no legitimate business reason for EMT and IT personnel to be at the Zrii offices from 11:30 p.m. on February 1 through 3:30 a.m. on February 2.

22. On information and belief, that night various members of the Zrii IT department engaged in at least the following unlawful acts, with the complicity of the Defendants and others:

- a. They destroyed certain backups of Zrii emails;

- b. They changed access codes to the Zrii computer network and/or disabled network accounts; and
- c. They functionally disabled Zrii's ability to access its own network and perform normal operating functions.

23. The result of the foregoing was that Zrii was for a time denied the ability to access and use its own system. Among other things, Zrii was unable to sign up IEs on its website, giving the impression that Zrii was non-operational and/or teetering on the brink of collapse. This sabotage further disabled the ability of certain outside vendors of Zrii from accessing Zrii's network and providing needed services and information critical to the ongoing operations of Zrii.

24. All Zrii employees were required to sign a confidentiality / non-disclosure agreement ("NDA") as a condition of their employment. Copies of the NDAs were kept in files in the Human Resources department of Zrii. The NDAs for the EMT and other Zrii employees are no longer in the human resources files of Zrii. It is believed that the NDAs were removed by or at the direction of one or more of the Defendants.

### **Monday, February 2, 2009**

#### **Work Stoppage and IT Lockout**

25. Farley travelled to Utah on February 2, 2009. On a normal business day prior to February 1, 2009, there were approximately 40 employees working at Zrii corporate headquarters. When Farley arrived at Zrii headquarters on February 2, he found the building empty except for customer service staff on the second floor.

26. On information and belief, the EMT, including Defendants Zenger, McKinlay and Call, instructed Zrii corporate employees not to go to work on February 2,

2009. The affected employees were told that if they did go to work, no one else would be there, and that they would not have a job when the Defendants took over the Company.

27. On February 2, 2009, at 12:17 p.m., Clint Hoaldridge, a Zrii IT employee, deactivated the network logon for Farley, on information and belief, at the instigation of Defendants.

#### **Threats by EMT and TSIEs**

28. On entering his office, Farley found the keys to seven company cars, all of which had been leased by Zrii for the members of the EMT. Farley also found a letter on his desk from Zenger and the EMT. The letter demanded that Farley resign and sell his controlling interest in Zrii to “the management team.” In the letter, the EMT Defendants and the remaining members of the EMT asserted that they were “joined by all 10 Star IEs and many top-level managers of Zrii.”

29. Late in the day of February 2, 2009, Farley received a letter by hand delivery from Kenneth Okazaki, an attorney with the Salt Lake City law firm of Jones, Waldo, Holbrook & McDonough. The letter states that Mr. Okazaki represents WAG, and that “interested members of our client [WAG] include the executive team at Zrii and all ten star distributors of Zrii.” The “executive team at Zrii” included Defendants Zenger, McKinlay, and Call, as well as Ryan Thompson, Gene Tipps, Bart Graser and Tracy Harward. The “ten star distributors of Zrii” included, *inter alia*, Defendant Domingo. Mr. Okazaki repeated the demand that Farley sell his interest in Zrii. Mr. Okazaki has also stated that he represents Defendant Fitzgerald.

30. The letter from Mr. Okazaki enclosed a letter from the TSIEs, including Domingo. In that letter, the TSIEs demanded that Farley resign and threatened that if he

did not, they will “*dismantle the entire field, leader-by-leader.*” They also threatened to “*take our talents to another network marketing company,*” expressly threatening that if Farley did not capitulate, “*Zrii will cease to exist within 30 days.*”

31. The ZPP, which is made binding on IEs by the terms of the IEA, states that during the term of the IEA, no IE may engage “in any actual or attempted recruitment of Zrii Independent Executives for other network marketing business ventures, either directly or through a third party.” The ZPP further provides that after the termination of the IEA, all IEs agree that “for a period of six months following the cancellation of an [IEA], the former Independent Executive may not recruit any Zrii Independent Executive ... for another network marketing program.”

#### **The Refusal of the EMT Defendants and Others To Return Zrii Property**

32. On February 2, 2009, Zrii demanded that the EMT Defendants and the remaining members of the EMT immediately return all Zrii property, including, but not limited to, laptop computers and all proprietary and confidential information in their possession or control. Zrii further demanded that the EMT and its members not use, access or disclose any proprietary information of Zrii to any person for any purpose.

33. None of the EMT Defendants has returned his Zrii laptop computer. The members of the EMT were the highest level management personnel of Zrii, and had access to virtually all, if not all, of Zrii’s confidential and proprietary information, including trade secrets.

34. On information and belief, the EMT Defendants and others have used the Zrii laptops in their possession, the proprietary data on those computers, and various

other proprietary and confidential Zrii information, to communicate with one another and others regarding that scheme, and to further the scheme in other ways.

35. Despite numerous demands for the return of the Zrii laptops, the EMT Defendants and other members of the EMT have refused to return them to Zrii, and have likewise refused to respond to requests that they ensure that no data or communications on those laptops will be altered, destroyed or spoliated. Given the conduct of the Defendants and others involved in the scheme set forth above, the integrity of the data and communications on these laptops is at serious risk.

#### **February 3, 2009 - Continued Work Stoppage**

36. On February 3, 2009, the same corporate employees of Zrii who failed to come to work on February 2 again failed to come to work. The absence of the bulk of Zrii corporate employees prevented Zrii from performing its normal business operations. On the evening of February 3, Zrii wrote to all of the Zrii employees who had not come to work on February 2 or 3, informing them that if they did not come to work on February 4, they would be deemed to have resigned. These individuals were also told to return all confidential Zrii information to Zrii and not to use or disclose such information in any fashion or to anyone.

37. At the direction and encouragement of the Defendants, most of the absent Zrii employees never returned to work.

#### **Wednesday February 4, 2009 - The Defendants Instruct IEs to Cancel Automatic Shipments of Zrii Products**

38. On February 4, 2009, Domingo, in his capacity as a TSIE, wrote an email to “personally sponsored IEs.” In that email, he reproduced the February 2 letter from

the TSIEs to Farley. He asserted that the “field leadership and corporate Executive Team” were “completely galvanized and in 100% solidarity.”

39. Domingo further advised the IEs that the “only thing that fortifies [Farley’s] control is the ability to run autoships [automatic shipments to IEs] and garner its resulting revenue.”

40. In the same letter, Domingo told the IEs that the “10-star IEs recommend you terminate your autoship effective immediately.” He further told them that the biggest autoship day of the month was February 5<sup>th</sup>, and that they need to act immediately to have their terminations be effective then. He concluded the email by stating that a conference call would be arranged with IEs as soon as possible.

41. Autoships are recurring shipments of Zrii product to IEs that are automatically shipped at periodic intervals, and are an important source of revenue to the Company. Company records reveal that, as requested by Domingo, certain IEs began to cancel autoships on Wednesday, February 4, 2009.

**February 5, 2009**

42. On February 5, 2009, after the email from Domingo announcing the conference call, Tyler Daniels and Marcel Niederhauser, both TSIEs, sent an email to the “TEAM.” On information and belief, this email was sent to some or all of the Zrii IEs at the direction of the EMT Defendants, Domingo and Fitzgerald.

43. The February 5, 2009 email announced an “URGENT Zrii Call” for 8:00 p.m. that night with “Zrii co-founders and 10star IE’s.” Defendant Zenger and the members of the EMT were referred to as “co-founders” during their time at Zrii. The “10Star IE’s” include, among others, Defendant Domingo.

44. The February 5, 2009 email stated that the “TEAM” should “disreard [sic] any email stating Zrii leadership has moved” and that “we are united and stand together as a team for Zrii.” In fact, neither Tyler Daniels nor Marcel Niederhauser nor any members of the EMT or the TSIES were at that time authorized by Zrii to do anything “for Zrii,” to make any representations “for Zrii,” or to act “for Zrii” in any way.

45. On February 5, 2009, after they were no longer employees of Zrii, Defendant Zenger and Tracy Harward, both former members of the EMT, attempted to access the Zrii network using their passwords.

#### **Solicitation of Zrii IEs and Interference with Zrii’s Operations**

46. In furtherance of the unlawful scheme described herein, Defendants Fitzgerald, Domingo and others of the Defendants have continued to pursue the scheme to destroy and damage Zrii. As part of their continuing course of wrongful conduct, the Defendants have wrongfully used Zrii confidential information to solicit and/or cause others to solicit Zrii IEs to enroll in other network marketing organizations.

47. At a recent conference in Anaheim, California, held during the week of February 9, 2009, Defendants and/or their agents actively solicited Zrii IEs to enroll in other network marketing companies. This and related conduct has gravely impacted Zrii’s ability to carry on its business with its IEs.

#### **Irreparable Harm**

48. The unlawful scheme referenced herein, including the wrongful conduct of the Defendants, individually, collectively, and in concert with others, has caused and is continuing to cause irreparable harm to Zrii’s relationships with its employees, IEs, vendors and others.

49. Zrii has no adequate remedy at law for the irreparable harm it has suffered as a result of the unlawful scheme of the Defendants.

**CLAIMS FOR RELIEF**

**Count I  
Breach of Fiduciary Duty  
(Against the EMT Defendants)**

50. Zrii repeats and realleges all of the preceding allegations of this Complaint as if fully set forth herein.

51. By reason of their positions and responsibilities and the trust placed in them by Zrii, the EMT Defendants owed fiduciary duties to Zrii.

52. By their actions, the EMT Defendants have breached the fiduciary duties they owed to Zrii.

53. The breaches of fiduciary duty by the EMT Defendants have caused and are continuing to cause Zrii to suffer irreparable harm. Zrii has no adequate remedy at law for such irreparable harm.

**Count II  
Breach of Contract  
(Against Domingo and Fitzgerald)**

54. Zrii repeats and realleges all of the preceding allegations of this Complaint as if fully set forth herein.

55. Zrii had valid and enforceable contracts with both Domingo and Fitzgerald in the form of the IEA and the ZPP.

56. The contractual obligations of Domingo and Fitzgerald, included, *inter alia*, the following:

- a. During the term of their respective IEAs, not to solicit or encourage Zrii IEs to enroll in other network marketing companies;
- b. Not to encourage Zrii IEs to alter their relationships with Zrii;
- c. The duty not to induce Zrii IEs to breach their obligations to Zrii:  
and
- d. After their respective IEAs were terminated, not to solicit Zrii IEs to join other network marketing companies for a period of six months.

57. Zrii has been actually and irreparably harmed by the breaches of Defendants Domingo and Fitzgerald as alleged herein, and such irreparable harm is continuing. Zrii has no adequate remedy at law for this irreparable harm.

**Count III**  
**Intentional Interference in Existing or Potential Economic Relations**  
**(Against All Defendants)**

58. Zrii repeats and realleges all of the preceding allegations of this Complaint as if fully set forth herein.

59. Defendants, by their actions articulated above, have intentionally and without justification interfered with Zrii's existing and/or potential economic relations with, *inter alia*, its employees and IEs.

60. Defendants' actions articulated above were for an improper purpose and/or accomplished by improper means.

61. Defendants' intentional interference with Zrii's existing and/or potential economic relations has caused and is continuing to cause Zrii to suffer irreparable harm. Zrii has no adequate remedy at law for such irreparable harm.

**Count IV**  
**Intentional Interference With Contractual Relations**  
**(Against All Defendants)**

62. Zrii repeats and realleges all of the preceding allegations of this Complaint as if fully set forth herein.

63. Defendants, by their actions articulated above, have intentionally and without justification interfered with Zrii's existing and/or potential contractual relations with, *inter alia*, its employees and IEs.

64. Defendants' intentional interference has caused various IEs and employees to breach their contracts with Zrii.

65. Defendants' actions articulated above were done for an improper purpose and/or accomplished by improper means.

66. Defendants' intentional interference with Zrii's contractual relations has caused and is continuing to cause Zrii to suffer irreparable harm. Zrii has no adequate remedy at law for such irreparable harm.

**Count V**  
**Misappropriation of Proprietary Information and Trade Secrets**  
**(Against All Defendants)**

67. Zrii repeats and realleges all of the preceding allegations of this Complaint as if fully set forth herein.

68. Zrii owns confidential and proprietary information that it uses in the operation of its business, including, but not limited to, information relating to the identity,

telephone numbers, physical addresses, email addresses, and sales patterns of Zrii's IEs. Information related to the identity, contact information and sales patterns of Zrii IEs is sometimes referred to as "downline activity" information. Collectively, Zrii's confidential and proprietary information is referred to hereinafter as "Zrii Proprietary Information."

69. Zrii Proprietary Information is not generally known and provides Zrii with a competitive advantage in the marketplace.

70. Zrii maintains Zrii Proprietary Information in confidence, and takes reasonable steps to ensure that Zrii employees and IEs also maintain the confidentiality of this information.

71. The ZPP provides that downline activity information is a trade secret, and is confidential and proprietary to Zrii.

72. At least the EMT Defendants and Defendant Domingo had access to Zrii Proprietary Information. On information and belief, Defendants WAG and Fitzgerald gained access to such information through the EMT Defendants, Defendant Domingo or others.

73. Defendants, in concert with each other and third parties, have unlawfully solicited Zrii IEs to enroll in competitive network marketing organizations.

74. On information and belief, Defendants and their agents have used Zrii Proprietary Information to contact or have others contact Zrii IEs for the purpose of convincing them to defect to other network marketing organizations, in violation of the Defendants' duties to Zrii.

75. Defendants have used and/or disclosed Zrii Proprietary Information for their own benefit and profit.

76. Defendants' misappropriation of Zrii Proprietary Information has caused and is continuing to cause Zrii to suffer irreparable harm. Zrii has no adequate remedy at law for this irreparable harm.

**Count VI  
Civil Conspiracy  
(Against All Defendants)**

77. Zrii repeats and realleges all of the preceding allegations of this Complaint as if fully set forth herein.

78. The EMT Defendants and Defendants Domingo, Fitzgerald, and WAG agreed among themselves and with other unnamed co-conspirators to formulate and execute the unlawful scheme described herein, with the unlawful purposes set forth above, and engaged in the overt wrongful acts set forth above.

79. The unlawful scheme/conspiracy described herein has caused and will continue to cause Zrii to suffer irreparable harm. Zrii has no adequate remedy at law for this irreparable harm.

**Count VII  
Conversion  
(Against EMT Defendants)**

80. Zrii repeats and realleges all of the preceding allegations of this Complaint as if fully set forth herein.

81. The EMT Defendants have in their possession property belonging to Zrii and have refused to return it.

82. Such personal property includes, among other things, laptop computers and Zrii Proprietary Information.

83. The refusal of the EMT Defendants to return the property of Zrii constitutes conversion.

84. The conversion of Zrii Proprietary Information and laptop computers by the EMT Defendants has caused and will continue to cause Zrii to suffer irreparable harm. Zrii has no adequate remedy at law for this irreparable harm.

### **Prayer for Relief**

Wherefore, Plaintiff prays for relief as follows:

1. Preliminary and permanent injunctive relief, enjoining Defendants and all those acting in active concert or participation with them who receive notice of the injunction by personal service or otherwise, as follows:

- (a) An order requiring the immediate return by Defendants of all Zrii property, including all Zrii Proprietary Information in their possession or control or the possession or control of others acting in concert with them;
- (b) An order prohibiting Defendants from contacting or causing others to contact Zrii's IEs for the purpose of inducing them to enroll in other network marketing companies, or to otherwise alter their relationship with Zrii, for a period of at least six months from the date of the injunction;
- (c) An order prohibiting Defendants from altering, destroying or spoliating in any way any information relevant to this action, including, but not limited to, information on Zrii laptops, phones, personal digital assistants, Zrii Proprietary Information, and all other tangible and electronic information that

is in any way relevant to this action;

- (d) An order prohibiting Defendants from using or disclosing any Zrii Proprietary Information and prohibiting Defendants from interfering with the business of Zrii in any fashion.
2. For damages in an amount to be established upon proof at trial.
  3. For such other and further relief as to the Court may seem just and proper.

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