

ORIGINAL

Bruce C. Jones, ISB # 3177
Patrick E. Mahoney, ISB #5245
BLACKBURN & JONES LLP
1101 W. River Street, Ste 220 [83702]
P.O. Box 7808
Boise, ID 83707-7808
Telephone: (208) 489-8989
Facsimile: (208) 489-8988

U.S. COURTS
CLERK OF COURT
JAN 24 2003
IDAHO

Attorneys for Defendants FreeLife International, LLC,
Ray Faltinsky, and Kevin Fournier

FEE PAID
RCPT # 13449

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF IDAHO

MELALEUCA, INC., an Idaho Corporation,)
)
Plaintiff,)
)
vs.)
)
FREELIFE INTERNATIONAL, LLC., [sic] a)
Connecticut corporation; RAY FALTINSKY,)
[sic] an individual; KEVIN FOURNIER, an)
individual; ASHLEY SHIREE, an individual;)
WELDON SHIREE, an individual;)
TERRILEE JENKS, an individual,)
)
)
Defendants.)
)

Case No. CIV 03-0054-E-BLW

NOTICE OF REMOVAL

TO: The Judges of the United States District Court for the District of Idaho:

COME NOW Defendants FreeLife International, LLC, Ray Faltinsky, and Kevin Fournier, (hereinafter "Defendants") by and through their attorneys of record, BLACKBURN AND JONES LLP, and respectfully show as follows:

1. On or about January 24, 2003, a complaint was filed by Melaleuca, Inc. in the District Court of the Seventh Judicial District of the State of Idaho, in and for the County of

Bonneville, Case No. CV-03-538, naming FreeLife International, LLC, Ray Faltinsky, and Kevin Fournier as Defendants.

2. These Defendants were first served with Plaintiff's Complaint on or about February 3, 2003. Pursuant to D. Idaho L. Civ. R. 81.1 a copy of the entire state court record and docket sheet, as of February 13, 2003, 11:00 AM MST, is attached hereto.

3. This Notice of Removal is being filed within the thirty days after service upon these Defendants of Plaintiff's Complaint and is therefore timely filed pursuant to 28 U.S.C. §1446(b).

4. This is a civil action over which this Court has original jurisdiction under 28 U.S.C. §1331 and §1332, and is one which may be removed to this Court by Defendants pursuant to the provisions of 28 U.S.C. §1441(b)-(c), 28 U.S.C. §1446, and 28 U.S.C. §1367(a) in that it is a civil action: (1) arising, in part, under the laws of the United States, to wit 15 U.S.C. §1125 (The Lanham Act); and (2) between citizens of different states in which the matter in controversy exceeds the sum of \$75,000, exclusive of interest and costs.

5. Defendants are informed by Plaintiff's Complaint and believe and therefore allege that Plaintiff's cause of action arose while Plaintiff was an Idaho corporation with its principal place of business in Bonneville County, State of Idaho.

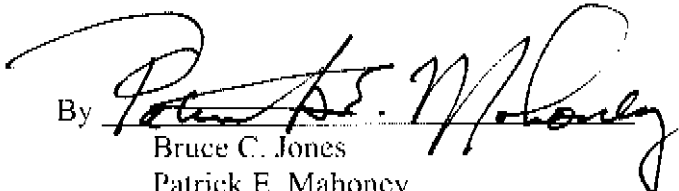
6. Defendant FreeLife International, LLC is a Connecticut corporation. Defendants Ray Faltinsky and Kevin Fournier are individuals residing in the State of Connecticut. Defendants Ashley Shiree and Weldon Shiree are individuals residing in the State of Tennessee. Defendant Terrill Jenks is an individual residing in the State of Illinois.

WHEREFORE, Defendants respectfully request that the aforesaid action now pending against Defendants in the District Court of the Seventh Judicial District of the State of Idaho in and for the County of Bonneville be removed to this Honorable Court.

DATED this 14th day of February, 2003.

BLACKBURN & JONES LLP

By

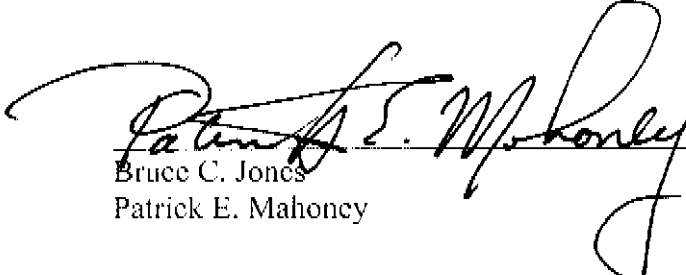

Bruce C. Jones
Patrick E. Mahoney
Attorneys for Defendants FreeLife,
Faltinsky and Fournier

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 14th day of February, 2003, I caused to be served a true and correct copy of the above and foregoing document by the method indicated below, and addressed to the following:

Curt R. Thomsen
THOMSEN STEPHENS LAW OFFICES
2635 Channing Way
Idaho Falls, ID 83404

U.S. MAIL
 HAND DELIVERED
 FACSIMILE: 208-522-1277
 OVERNIGHT MAIL


Bruce C. Jones
Patrick E. Mahoney

Date: 02/12/2003

Seventh Judicial District Court - Bonneville County

User: TBROWN

Time: 01:17 PM

ROA Report

Page 1 of 1

Case: CV-2003-0000538 Current Judge: Jon J. Shindurling

Melaleuca, Inc vs. Freeliffe International, Inc., etal.

Date	Code	User		Judge
01/24/2003	NEWC	HUNTSMAN	New Case Filed	Jon J. Shindurling
	NOAP	HUNTSMAN	Plaintiff: Melaleuca, Inc Notice Of Appearance Curt R. Thomsen	Jon J. Shindurling
		HUNTSMAN	Filing: A1 - Civil Complaint, More Than \$1000 No Prior Appearance Paid by: Thomsen, Curt R. (attorney for Melaleuca, Inc) Receipt number: 0068680 Dated: 01/24/2003 Amount: \$77.00 (Check)	Jon J. Shindurling
	SMIS	HUNTSMAN	Summons Issued Terrilee Jenks	Jon J. Shindurling
	SMIS	HUNTSMAN	Summons Issued Weldon Shree	Jon J. Shindurling
	SMIS	HUNTSMAN	Summons Issued Ashley Shree	Jon J. Shindurling
	SMIS	HUNTSMAN	Summons Issued Kevin Fournier	Jon J. Shindurling
	SMIS	HUNTSMAN	Summons Issued Ray Faltinski	Jon J. Shindurling
	SMIS	HUNTSMAN	Summons Issued Freeliffe International Inc.	Jon J. Shindurling
	02/07/2003	SMRT	KBAIRD	Summons Returned--Ray Faltinski
RTOS		KBAIRD	Return Of Service--2/3/03	Jon J. Shindurling
SMRT		KBAIRD	Summons Returned--Kevin Fournier	Jon J. Shindurling
RTOS		KBAIRD	Return Of Service-- 2/3/03	Jon J. Shindurling

CASE ASSIGNED TO
JUDGE JON J. SHINDURLING

Curt R. Thomsen, Esq.
THOMSEN STEPHENS LAW OFFICES
2635 Channing Way
Idaho Falls, ID 83404
Telephone (208) 522-1230
Fax (208) 522-1277
ISB #2072

Attorneys for Plaintiff

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

MELALEUCA, INC., an Idaho Corporation)
)
Plaintiff,)

v.)

FREELIFE INTERNATIONAL, INC., a)
Connecticut corporation; RAY FALTINSKI,)
an individual; KEVIN FOURNIER,)
an individual; ASHLEY SHIREE, an)
individual; WELDON SHIREE, an)
individual; TERRILEE JENKS, an)
individual, and JOHN DOE PERSONS)
OR ENTITIES I-XX,)

Defendants.)

Case No. CV-03-538

S U M M O N S

NOTICE: YOU HAVE BEEN SUED BY THE ABOVE-NAMED PLAINTIFF(S). THE NATURE OF THE CLAIM FILED AGAINST YOU IS FOR DEFAMATION/BUSINESS DISPARAGEMENT. THE COURT MAY ENTER JUDGMENT AGAINST YOU WITHOUT FURTHER NOTICE UNLESS YOU RESPOND WITHIN 20 DAYS. READ THE INFORMATION BELOW

TO: RAY FALTINSKI

You are hereby notified that in order to defend this lawsuit, an appropriate written response must be filed with the above designated court within 20 days after service of this Summons on

1 - SUMMONS

you. If you fail to so respond the Court may enter judgment against you as demanded by the plaintiff(s) in the Complaint.

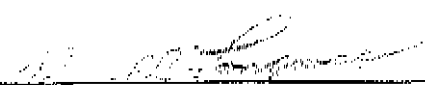
A copy of the Complaint is served with this Summons. If you wish to seek the advice or representation by an attorney in this matter, you should do so promptly so that your written response, if any, may be filed in time and other legal rights protected.

An appropriate written response requires compliance with Rule 10(a)(1) and other Idaho Rules of Civil Procedure and shall also include:

1. The title and number of this case.
2. If your response is an Answer to the Complaint, it must contain admissions or denials of the separate allegations of the Complaint and other defenses you may claim.
3. Your signature, mailing address and telephone number, or the signature, mailing address and telephone number of your attorney.
4. Proof of mailing or delivery of a copy of your response to plaintiff's attorney, as designated above.

To determine whether you must pay a filing fee with your response, contact the Clerk of the above-named court.

DATED this 24 day of January, 2003.



Clerk of the Court

By: 

Deputy

CRT:clm
4299\006 Summons-Patinski

2 - SUMMONS

CASE ASSIGNED TO
JUDGE JON J. SHINDURLING

Curt R. Thomsen, Esq.
THOMSEN STEPHENS LAW OFFICES
2635 Channing Way
Idaho Falls, ID 83404
Telephone (208) 522-1230
Fax (208) 522-1277
ISB #2072

Attorneys for Plaintiff

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

MELALEUCA, INC., an Idaho Corporation)

Plaintiff,)

v.)

FREELIFE INTERNATIONAL, INC., a)
Connecticut corporation; RAY FALTINSKI,)
an individual; KEVIN FOURNIER,)
an individual; ASHLEY SHIREE, an)
individual; WELDON SHIREE, an)
individual; TERRILEE JENKS, an)
individual, and JOHN DOE PERSONS)
OR ENTITIES I-XX.)

Defendants.)

Case No. CV-03-~~537~~

S U M M O N S

NOTICE: YOU HAVE BEEN SUED BY THE ABOVE-NAMED PLAINTIFF(S). THE NATURE OF THE CLAIM FILED AGAINST YOU IS FOR DEFAMATION/BUSINESS DISPARAGEMENT. THE COURT MAY ENTER JUDGMENT AGAINST YOU WITHOUT FURTHER NOTICE UNLESS YOU RESPOND WITHIN 20 DAYS. READ THE INFORMATION BELOW

TO: KEVIN FOURNIER

You are hereby notified that in order to defend this lawsuit, an appropriate written response must be filed with the above designated court within 20 days after service of this Summons on

1 - SUMMONS

you. If you fail to so respond the Court may enter judgment against you as demanded by the plaintiff(s) in the Complaint.

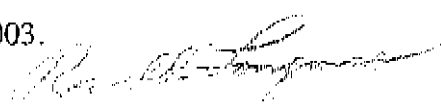
A copy of the Complaint is served with this Summons. If you wish to seek the advice or representation by an attorney in this matter, you should do so promptly so that your written response, if any, may be filed in time and other legal rights protected.

An appropriate written response requires compliance with Rule 10(a)(1) and other Idaho Rules of Civil Procedure and shall also include:


1. The title and number of this case.
2. If your response is an Answer to the Complaint, it must contain admissions or denials of the separate allegations of the Complaint and other defenses you may claim.
3. Your signature, mailing address and telephone number, or the signature, mailing address and telephone number of your attorney.
4. Proof of mailing or delivery of a copy of your response to plaintiff's attorney, as designated above.

To determine whether you must pay a filing fee with your response, contact the Clerk of the above-named court.

DATED this 24 day of January, 2003.



Clerk of the Court

By: 

Deputy

CRT:cm
4299007 Summons-Fournier

2 - SUMMONS

Curt R. Thomsen, Esq.
THOMSEN STEPHENS LAW OFFICES
2635 Channing Way
Idaho Falls, ID 83404
Telephone (208) 522-1230
Fax (208) 522-1277
ISB #2072

FILED IN 3:00
JAN 13 2004
CLERK OF DISTRICT COURT
BONNEVILLE COUNTY, IDAHO

Attorneys for Plaintiff

IN THE DISTRICT COURT OF THE SEVENTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF BONNEVILLE

MELALEUCA, INC., an Idaho Corporation)
)
Plaintiff,)
)
v.)
)
FREELIFE INTERNATIONAL, INC., a)
Connecticut corporation; RAY FALTINSKI,)
an individual; KEVIN FOURNIER,)
an individual; ASHLEY SHIREE, an)
individual; WELDON SHIREE, an)
individual; TERRILEE JENKS, an)
individual, and JOHN DOE PERSONS)
OR ENTITIES I-XX,)
)
Defendants.)
_____)

Case No. CV-03-538

COMPLAINT

Fee Category A.1
Fee: \$77.00

COMES NOW Melaleuca, Inc., an Idaho corporation, by and through counsel of record,
and for cause of action against the named defendants, alleges as follows:

COMMON FACTUAL ALLEGATIONS

1. Melaleuca, Inc. is an Idaho corporation with its principal place of business in
Bonneville County, State of Idaho. Melaleuca does business on a nationwide basis.

2. Freeliffe International, Inc. is a Connecticut corporation, not registered to do business in the State of Idaho, but is doing business in the State of Idaho and has substantial contacts with the State of Idaho. Freeliffe does business on a nationwide basis.

3. Raymond Faltinski is an individual residing in the State of Connecticut, and is the President of Freeliffe International, Inc., and has caused tortious or wrongful acts to be committed, and damages to be incurred in the State of Idaho.

4. Kevin Fournier is an individual residing in the State of Connecticut, and is a managing officer of Freeliffe International and has caused tortious or wrongful acts to be committed and damages to be incurred in the State of Idaho.

5. Ashley Shiree and Weldon Shiree are individuals residing in the State of Tennessee. Weldon and Ashley Shiree have done business in the State of Idaho with Melaleuca, Inc. in that they have entered into an Independent Marketing Executive Agreements with Melaleuca, Inc. in the State of Idaho, have corresponded with and done business with Melaleuca, Inc. in the State of Idaho, have sent orders and money into the State of Idaho in dealings with Melaleuca, Inc., have received money and products shipped, in part, from the State of Idaho, and have caused tortious or wrongful acts and damage in the State of Idaho.

6. Terrilee Jenks is an individual residing in the State of Illinois. Terrilee Jenks has done business in the State of Idaho with Melaleuca, Inc. in that she has entered into an Independent Marketing Executive Agreement with Melaleuca, Inc. in Idaho which is in part the subject of this action, has corresponded with Melaleuca, Inc. in the State of Idaho, has sent orders and money into the State of Idaho, and has received money and product shipped, in part, from the State of Idaho, and has caused tortious or wrongful acts and damage in the State of Idaho.

2 - COMPLAINT

7. Defendants are subject to jurisdiction of the Idaho courts pursuant to the Idaho long arm statute, Idaho Code §5-514 as having sufficient contacts with the State of Idaho, which are tortious and unlawful, contractual, or constitute doing business in Idaho such that the courts of this state may constitutionally exercise jurisdiction over all defendants. Defendants Freelif International, Inc., Faltinski, Fournier and Jenks are further subject to jurisdiction in Idaho under the provisions of 15 USC 1125, having made actionable misrepresentations about Melaleuca Inc.'s products with consequent effects in the State of Idaho.

8. Melaleuca, Inc. is a consumer direct marketing company. Melaleuca, Inc. contracts with individuals (independent marketing executives) and each contract with the independent marketing executive is subject to the terms and conditions of the Melaleuca statements of policies and conditions as they may be changed from time to time based on notification.

9. Ashley Shiree, Weldon Shiree, and Terrilee Jenks, as Melaleuca Independent Marketing Executives agreed to the contractual terms and conditions identified above.

10. Raymond J. Faltinski is the chief executive officer of Freelif International, Inc. The actions of Mr. Faltinski are imputed for all purposes to the corporate entity, Freelif International, Inc.

11. One Michael Zundel is a managing and administrative officer of Freelif International, Inc. and the actions of Michael Zundel are imputed for all purposes to Freelif International, Inc.

12. Kevin Fournier is a managing and administrative officer of Freelif International, Inc. and the actions of Kevin Fournier are imputed for all purposes to Freelif International, Inc.

13. Ashley Shiree, Weldon Shiree, and Terrilee Jenks have acted as special authorized agents or representatives of Freelif International, Inc. for purposes of enrolling Melaleuca customers or Independent Marketing Executives into Freelif International, and their actions are imputed for all purposes to Freelif International, Inc.

14. John Doe persons or entities I through XX, are defendants whose present name and status is unknown to plaintiff, but whose actions and relationships to Freelif International, Inc. and the other defendants are such that they are or may be liable to Melaleuca, Inc. for some or all of the claims stated in this complaint. Melaleuca will seek leave of court to amend this complaint to more specifically name the John Doe defendants at such time as their identities and status are specifically identified in discovery.

15. The names, identities, business organizations and business styles of Melaleuca's Independent Marketing Executives are trade secrets and confidential information as provided by the Idaho Trade Secrets Act, Idaho Code §48-801 *et seq.*, and are otherwise protected proprietary and confidential information by law and by contract.

16. The Melaleuca statements of policies and conditions which are a part of the contract with its Independent Marketing Executives, and which were known to all defendants, state in part:

20. Antiraiding and Conflicts of Interest.

This Policy is designed to protect the efforts of Marketing Executives in building and maintaining their Marketing Organizations and Customer bases. Marketing Executives may be active in other business ventures. However, Marketing Executives and all members of their Immediate Household are prohibited from the following:

- (a) Recruiting or enrolling Melaleuca Customers or Marketing Executives for other business ventures, either directly or

through a third party. This includes, but is not limited to, presenting or assisting in the presentation of other business ventures to any Melaleuca Customer or Marketing Executive or implicitly or explicitly encouraging any Melaleuca Customer or Marketing Executive to join other business ventures. It is a violation of this policy to recruit or enroll a Melaleuca Customer or Marketing Executive for another business even if the Marketing Executive does not know that the prospect is also a Melaleuca Customer or Marketing Executive...

- (b) Producing any literature, tapes or promotional material of any nature for another business venture which is used by the Marketing Executive or any third person to Recruit Melaleuca Customers or Marketing Executives for that business venture;
- (c) Selling, offering to sell, or promoting any competing products or services to Melaleuca Customers or Marketing Executives...

Violations of this policy are especially detrimental to the growth and sales of other Marketing Executive's Independent Melaleuca Businesses and to Melaleuca's business. Therefore, Melaleuca may seek and obtain from the violating Marketing Executive damages for violations of this policy. If litigation or arbitration is undertaken to recover commissions, bonuses or damages as specified herein, the prevailing party shall be entitled to an award of attorney fees and expenses.

21. Proprietary Information and Trade Secrets.

By executing the Independent Marketing Executive Agreement, the Marketing Executive acknowledges that all information which is contained in the Marketing Executive's Monthly Business Report, including names, addresses and telephone numbers of Marketing Executives and Customers is Melaleuca's proprietary trade secret information. The Marketing Executive agrees not to disclose such information to any third party (except existing or prospective Melaleuca Marketing Executives or Customers for the purposes of promoting Melaleuca products and business opportunity) or to utilize such information for the purpose of promoting any other business opportunity at any time, whether during the term of his/her association with Melaleuca or thereafter. The Marketing Executive

acknowledges that such propriety information is of such character as to render it unique and that disclosure or use thereof in violation of this provision will result in irreparable damage to Melaleuca and to Independent Melaleuca Businesses. Melaleuca and its Marketing Executives will be entitled to injunctive relief to prevent violation of this policy. If litigation or arbitration is required to obtain injunctive relief or to recover damages, the prevailing party shall be entitled to an award of attorney fees and expenses."

17 The terms and conditions of the Melaleuca Independent Marketing Executive Agreement and Statement of Policies and Definition of Terms are well known to Michael Zundel who is a former employee of Melaleuca, Inc. who also entered into a separate confidentiality agreement with Melaleuca, Inc. incident to that employment. The terms and conditions of the Melaleuca Independent Marketing Executive Contract and Statement of Policies and Definition of Terms are well known to Raymond J. Faltinski, Michael Zundel, Kevin Fournier, and Freelif International, Inc., who have copied and utilized Melaleuca information in part in their Freelif International, Inc. corporation.

COUNT ONE - DEFAMATION/BUSINESS DISPARAGEMENT

18. Defendants directly, or through agents and representatives, have intentionally, willfully and with the purpose of damaging and injuring Melaleuca, Inc. and its operations, and with the intent and purpose of causing Melaleuca Independent Marketing Executives to leave Melaleuca and join Freelif International, Inc., defamed and disparaged the Melaleuca enterprise, its management and its products. Untrue disparaging statements have been made that the Melaleuca, Inc. products cause cancer, or contain cancer causing agents, are not natural and safe, are not nutritional and are deleterious to health.

19. Raymond J. Faltinski has personally, and on behalf of Freelif International, Inc., made untrue statements of fact as to Plaintiff, including but not limited to: assertions that upper management of the company has no knowledge about nutrition, and that upper management broke the company's promises or agreements to Melaleuca Marketing Executives.

20. The disparagement and defamation as to Melaleuca and its products includes, but is not limited to, allegations that Melaleuca's products are not "natural and safe" and that such products "contain cancer causing agents" and that the management of the company knows nothing about the concept or science of nutrition as related to the formulation of the Melaleuca products.

21. Defendants have utilized such statements and made such claims and disseminated such claims in oral and written form in an effort to persuade Melaleuca Independent Marketing Executives to cancel their contractual and business relationships with Melaleuca, or to obtain Melaleuca's Customers for Freelif International, Inc.

22. Such actions are wrongful and tortious, and violative of statute, including 15 U.S.C. 1125, and Melaleuca, Inc. is entitled to recover damages as a result of such actions in an amount to be proven at the time of trial or at the time judgment is requested.

23. Melaleuca, Inc. requests and is entitled to recover attorney fees and costs of court incurred in prosecuting this action against defendants as provided by Idaho and Federal statute and court rule.

**COUNT TWO - INTENTIONAL INTERFERENCE WITH
BUSINESS RELATIONSHIPS**

24. Melaleuca, Inc. repeats the allegations of paragraphs 1 through 23 as if set forth at length.

7 - COMPLAINT

25. Defendants have directly, or indirectly, been utilizing Melaleuca confidential and trade information for the purpose of contacting Melaleuca Independent Marketing Executives with the intent of causing those Marketing Executives to cancel their contractual relationships with Melaleuca and sign up with Freelif International, Inc. Such actions are tortious and wrongful and constitute the intentional interference with business relationships. Further, the use of Melaleuca confidential trade secret and business information in this process by Marketing Executives of Freelif International was known to Freelif International, Inc. and its officers and agents, was condoned, encouraged and such wrongful conduct ratified by Freelif International.

26. Ashley Shiree, Weldon Shiree, and Terrilee Jenks have specifically used confidential trade secret and proprietary information of Melaleuca in efforts to contact Melaleuca Marketing Executives and Customers with the intent of disrupting contractual relationships with Melaleuca, Inc. for their benefit and for the benefit of Freelif International. The actions of Ashley Shiree, Weldon Shiree, and Terrilee Jenks, and their means and methods, were known to the other defendants and to the management of Freelif International, Inc., who have condoned, ratified and acquiesced in such conduct. Further, defendants have encouraged and conspired with Melaleuca Marketing Executives to enroll in Freelif International under fictitious names or altered identities with the intent and purpose of concealing involvement with Freelif International from Melaleuca, Inc. so as to facilitate breach of their Independent Marketing Executive contracts without detection.

27. Melaleuca, Inc. is entitled to recover damages from defendants for the loss of contractual relationships with its Independent Marketing Executives and Customers as a result in an amount to be proven at the time of trial or at the time judgment is requested. Melaleuca is

further entitled to recover damages from Terrilee Jenks, Ashley Shiree and Weldon Shiree based on their violation of Policy No. 21, and as against Jenks for the additional violation of Policy No. 20, in an amount to be proven at the time of trial or at the time judgment is requested.

28. Melaleuca, Inc. is further entitled to recover its attorney fees and court costs from defendants as provided by contract, statute or court rule in an amount to be proven at the time of trial or at the time judgment is requested.

COUNT THREE - TRADE SECRETS - PROPRIETARY INFORMATION

29. Melaleuca, Inc. repeats the allegations of paragraphs 1 through 28 as if set forth at length.

30. Defendants have been using confidential, proprietary and trade secret information of Melaleuca, Inc. including its customer lists and Independent Marketing Executive lists and business reports in order to contact individuals with the intent and purpose of persuading those individuals to cease their contractual relationships with Melaleuca, Inc. and in turn establish such relationships with Freelif International, Inc. to their benefit and to the benefit of Freelif International, Inc.

31. Such actions on the part of defendants are a violation of the Idaho Trade Secrets Act in that they have appropriated and attempted to use Melaleuca's trade secrets and proprietary and confidential information to their benefit and to the injury of Melaleuca, Inc.

32. Melaleuca, Inc. is entitled to recover its damages from loss of customers, profits and business as a result of defendants' actions in an amount to be proven at the time of trial or at the time judgment is requested.

33. The actions of Ashley Shiree, Weldon Shiree, and Terrilee Jenks have been known to and condoned and ratified by Freelife International, Inc. Melaleuca, Inc. is entitled to recover its damages for loss of contractual relationships, business and customers from Freelife International, Inc. in an amount to be proven at the time of trial or at the time judgment is requested.

34. Melaleuca, Inc. is entitled to recover from defendants its attorney fees and court costs pursuant to Idaho Statute and court rule in an amount to be proven at the time of trial or at the time judgment is requested.

COUNT FOUR - LANHAM ACT VIOLATION

35. Melaleuca, Inc. repeats the allegations of paragraphs 1 through 34 as if set forth at length.

36. The actions of defendants are in violation of 15 U.S.C. 1125, in that defendants have in commercial advertising or promotion misrepresented the nature, characteristics, and qualities, of Melaleuca, Inc.'s goods, services and commercial activities, and Freelife International's goods, services and commercial activities.

37. Melaleuca, Inc. is entitled to recover its damages caused or likely to be caused by such wrongful actions in an amount to be proven at the time of trial.

COUNT FIVE-INJUNCTION

38. Melaleuca, Inc. repeats the allegations of paragraphs 1 through 37 as if set forth at length.

39. As a result of the actions of defendants, Melaleuca, Inc. has been and will be irreparably harmed in that its confidential and proprietary business information, business reputation, products, contractual relationships and customers will be lost, and irretrievably so.

40. Melaleuca, Inc. is entitled to a preliminary injunction from the court restraining defendants from their unlawful behavior and for entry of a final permanent injunction to prohibit such conduct into the future.

41. Melaleuca, Inc. is entitled to recover its attorney fees and court costs incurred in prosecuting a request for injunction as provided by controlling statute and court rule.

WHEREFORE, plaintiff Melaleuca, Inc. prays the judgment, order and decree of this court against defendants jointly and severally, and for actions in concert, as follows:

1. For plaintiff Melaleuca, Inc.'s damages in an amount to be proven at the time of trial or at the time judgment is requested.

2. For Melaleuca, Inc.'s court costs and attorney fees incurred herein pursuant to the contractual provisions controlling as to Ashley Shiree, Weldon Shiree, and Terrilee Jenks pursuant to Idaho Code §§12-120 and 12-121 and the Idaho Trade Secrets Act, Idaho Code §48-801, and the Lanham Act 15 USC 1125 et seq., in an amount to be proven at the time of trial or at the time judgment is requested.

3. For Melaleuca, Inc.'s court costs and attorney fees incurred herein pursuant to Idaho Code §§12-120 and 12-121 and the Idaho Trade Secrets Act, Idaho Code §48-801 et seq., and 15 U.S.C. 1125 in an amount to be proven at the time of trial or at the time judgment is requested.

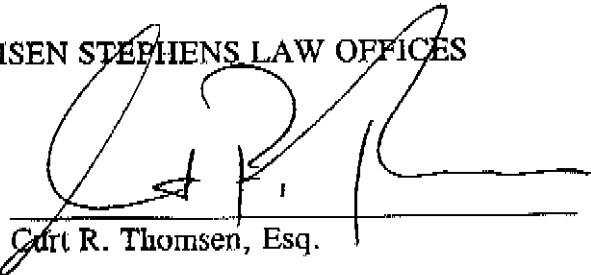
4. Plaintiff Melaleuca, Inc. is entitled to preliminary and final injunctive relief restraining defendants from their unlawful and tortious conduct.

5. Plaintiff Melaleuca, Inc. is entitled to such other and further equitable relief as the court deems just and appropriate under the circumstances.

DATED this 24th day of January, 2003.

THOMSEN STEPHENS LAW OFFICES

By:


Curt R. Thomsen, Esq.

CRT:clm
4299\001 Complaint-Freelife

12 - COMPLAINT