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County of Santa Clara

26CV488725

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*Attorneys for Plaintiff and Putative Class***SUPERIOR COURT OF CALIFORNIA****COUNTY OF SANTA CLARA**MICHAEL ZHU, individually and on behalf of
all others similarly situated,

Plaintiff,

v.

III INTERNATIONAL, LLC, DANIEL
PICO, TROY MOHR, ERIC BARKLE,
ANNE LARSON, JANE JANKE, KIM HUI,
and DOES 1 through 20 Inclusive,

Defendants.

Case No.: 26CV488725

CLASS ACTION AND PAGA COMPLAINT

1. Failure to Pay Minimum Wage and Liquidated Damages (Cal. Lab. Code §§ 1182.12, 1194, 1197, 1197.1, 1198; IWC Wage Order 4-2001);
2. Failure to Pay Overtime Wages and Liquidated Damages (Cal. Lab. Code § 510, 558.1, 558(a), 1194.2; IWC Wage Order 4-2001);
3. Failure to Timely Pay Wages During Employment (Cal. Lab. Code § 204, 210(a), 218.6);
4. Failure to Timely Pay Wages Upon Separation (Cal. Lab. Code § 201-203, 558.1);
5. Failure to Keep Requisite Payroll Records (Cal. Lab. Code § 1174(d), 1174.5);
6. Failure to Provide Timely and Accurate Wage Statements (Cal. Lab. Code § 226(a), 226(e), 226.3, 558.1, 1198);
7. Failure to Reimburse Business Expenses (Cal. Lab. Code §§ 450, 558.1, 2802; IWC Wage Order 4-2001);
8. Unfair Competition (Bus. & Prof. Code § 17200 et seq.);
9. Unruh Civil Rights Act (Civ. Code § 51)
10. Violation of Private Attorneys' General Act ("PAGA") (Cal. Lab. Code §§ 2698-2699.8)

JURY TRIAL DEMANDED

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1 Plaintiff Michael Zhu (“Plaintiff”) brings this action, individually, and behalf of a class of
2 similarly situated individuals, against Defendants, iii International, LLC; Daniel Picou; Troy Mohr;
3 Eric Barkle; Anne Larson; Janea Janke; Kim Hui; and Doe Defendants 1–50, inclusive,
4 (collectively, “Defendants” or “THREE”). Plaintiff’s allegations against Defendants are based upon
5 investigation carried out by Plaintiff’s counsel, except for allegations pertaining specifically to
6 Plaintiff, which are based upon Plaintiff’s personal knowledge.

7 **I. INTRODUCTION**

8 1. THREE is a multilevel marketing business (“MLM”). It is a massively successful
9 international company that, since inception, has exploited its California salesforce by misclassifying
10 its workers as independent contractors rather than as employees. Plaintiff is a THREE “Brand
11 Ambassador,” or “Ambassador,” one of the many active sales workers in the California who sell
12 THREE products through their online platform under THREE’s strict direction and control. In
13 exchange for Brand Ambassadors’ work promoting the brand on social media, acquiring new
14 customers, engaging existing customers, providing customer service, recruiting and training new
15 Ambassadors, and driving traffic to THREE’s website, THREE pays them, at most, a paltry
16 commission.

17 2. Headquartered in Lehi, Utah, THREE develops and sells a range of “proactive
18 wellness products” including skincare serums, moisturizers and vitamins. Pursuant to THREE’s
19 business model, it establishes relationships with various Brand Ambassadors who directly market
20 and sell THREE products. THREE has spent a great deal of time and resources in implementing and
21 managing a broad range of employment policies and procedures for their Ambassadors. Despite
22 designating these salespeople as independent contractors, Ambassadors are in fact THREE
23 employees under California law. THREE has violated numerous provisions of the California Labor
24 Code and applicable IWC Wage Order by denying its Ambassadors the compensation, other benefits
25 and statutory entitlements that they are owed.

26 3. THREE maintains a centralized, rigorous, and stringent sales policy to which each of
27 its Ambassadors must rigidly adhere should they expect any commission for their sales of THREE
28 products. Even when these Ambassadors do follow THREE’s exacting direction to the tee, the

majority of Ambassadors fail to even break even, having sunk substantial personal investment into marketing THREE products—business expenditures which THREE frequently shifts onto their workers who speak English as a second language, or come from financially insecure or geographically transient backgrounds, and for whom THREE refuses to reimburse.

4. THREE specifically and knowingly targets Brand Ambassadors of Chinese heritage to engage in more challenging, more risky, and more time intensive sales directives, including: (i) soliciting Chinese nationals to sign up as Brand Ambassadors overseas; (ii) selling and marketing THREE products to Chinese nationals; or (iii) shipping THREE products internationally to Chinese nationals. As a result, earning commissions is more difficult for these Brand Ambassadors.

5. Via its pervasive marketing and sales guidelines, THREE directed Brand Ambassadors to market and sell a variety of consumer products, including skincare, cosmetics, and nutrition products. In exchange for the Ambassadors' work promoting the brand on social media, referring new customers, providing customer service, and driving traffic to THREE's website, THREE pays Ambassadors at most a paltry commission.

6. THREE's ability to avoid accountability to its employees thus far—turns on the fact that it operates as a multi-level marketing business ("MLM").¹ THREE's recruitment tactics purportedly promise its Ambassadors the opportunity to build a business; in reality, however, they supply free marketing and sales support for THREE.

7. California legislature's codification of the "ABC Test" in AB 5 did include a "direct sales" exemption, which incorporated a definition appearing in a 40-year-old statute, California's Unemployment Code § 650. Among other things, the exemption is expressly limited only to those salespersons making "in person" sales, such as door-to-door salespeople and home "Tupperware party" hosts. It does not cover THREE's modern, online business model, where Ambassadors drive social media engagement under THREE's guidance and direction, directing consumers to THREE-controlled websites, where THREE accepts and processes the sales and fulfills the orders, while also collecting and benefiting from the consumer data it acquires from these leads. The result is a

¹ Gerald Albaum & Robert A. Peterson, *Multilevel (Network) Marketing: An Objective View*, 11 MARKETING R. 347, 347–61 (2011).

1 coordinated marketing campaign that increases exposure and awareness of the THREE products
2 and is essential to the company's ability to reach new customers.

3 8. As articulated in THREE's own Policies & Procedures (the "Policies"), "[t]he only
4 online environment in which sales of iii International may be made is through the Brand
5 Ambassador replicated website." Policies § 9.4(D). On the "Replicated Websites," Ambassadors
6 cannot edit the content, text, photos, prices, or any other aspect of the platform, which only serves
7 to give them credit for sales.

8 9. THREE strictly controls the work product of its Ambassadors, in part by ensuring that
9 they follow its rigid guidelines for marketing content and recruiting materials. For example, THREE
10 enforces the following rules that disallow Ambassadors from: using product testimonials that make
11 claims that THREE products prevent or treat disease, selling THREE products via "online auctions"
12 and 3rd party e-commerce sites, displaying THREE products with other non-THREE products, and
13 advertising THREE products at a price less than the highest Company published price. *See* Policies
14 §§ 3.15(a)(I); 9.4(B)-(C); 9.5.

15 10. Plaintiff was a victim of THREE's practices. Like all Ambassadors, in accordance
16 with THREE's strict marketing and sales protocols, Plaintiff was trained by other Ambassadors and
17 through THREE materials, and was required to market, distribute, and sell products to the public in
18 accordance with THREE's instructions and parameters. Plaintiff was additionally targeted by
19 THREE, due to his ethnicity, and encouraged to sell THREE products to Chinese nationals in
20 contravention of relevant tax laws. And in return, Plaintiff was paid virtually nothing, while
21 incurring unreimbursed personal costs to perform the work on THREE's behalf.

22 11. For these reasons, Plaintiff brings this action to recover unpaid wages, overtime
23 compensation, penalties, interest, injunctive relief, other equitable remedies, damages, and
24 reasonable attorneys' fees and costs under the California Labor Code, Cal. Lab. Code §§ 201, 202,
25 203, 204, 210(a), 218.6, 226(a), 226.8, 450, 510, 558(a), 558.1, 1174(d), 1182.12, 1194, 1197,
26 1197.1, 1198, 2802 and 2698 *et seq.*, IWC Wage Order 4-2001 (8 Cal. Code Regs. § 11040),
27 California Unfair Competition Law (Cal. Bus. & Prof Code §§ 17200 *et seq.*), and the Unruh Civil
28 Rights Act (Cal. Civ. Code § 51(b)). In addition, THREE's conduct violates various municipal and

1 county codes in California, including but not limited to, City of San Jose Municipal Code, Title 4,
2 Chapter 4.100.040.²

3 12. Upon information and belief, THREE has not addressed and/or changed its unlawful
4 practices including failing to provide complaint meal and rest periods and has continued to deprive
5 employees of money owed to them in straight and overtime compensation. By bringing this action,
6 Plaintiff intends to stop this ongoing and unlawful practice and recover back wages and overtime to
7 which he is rightfully entitled.

8 **II. JURISDICTION AND VENUE**

9 13. The monetary damages, civil penalties, restitution, and equitable relief sought by
10 Plaintiff, the class members, and other aggrieved employees exceed the minimal jurisdiction limits
11 of the Superior Court and will be established according to proof at trial.

12 14. This Court has jurisdiction over this action pursuant to the California Constitution,
13 Article VI, section 10. The statutes under which this action is brought do not specify any other basis
14 for jurisdiction.

15 15. This Court has jurisdiction over all Defendants because, upon information and belief,
16 Defendants are citizens of Utah, but have sufficient minimum contacts in California, or otherwise
17 intentionally avail themselves of the California market so as to render the exercise of jurisdiction
18 over them by California courts consistent with traditional notions of fair play and substantial justice.
19 While THREE's US Headquarters (the Defendants' principal place of business), is located in Lehi,
20 Utah, and while THREE has registered with the Delaware Secretary of State as conducting business
21 in Delaware since 2022, the acts and omissions detailed herein occurred in California.

22 16. Venue is proper in this Court because Plaintiff performed work for Defendants from
23 his home in San Jose, California within Santa Clara County. Defendants' acts and omissions in
24 violation of the relevant labor statutes are thus physically tied to Plaintiff's residential address.

25
26
27 ² S.J., Cal., Code of Ordinances, Title 4, § 4.100 (Minimum Wage Ordinance) (Nov. 6, 2012)
28 https://library.municode.com/ca/san_jose/codes/code_of_ordinances?nodeId=TIT4REFIBUTA_C_H4.100MIWAOR_4.100.040MIWA

1 17. Upon information and belief, Defendants direct and control a large workforce of
2 Ambassadors throughout California, and have agents, employ individuals, and/or transact business
3 in the State of California.

4 18. Upon information and belief, Defendant Kim Hui is a resident of California.

5 **III. THE PARTIES**

6 19. Plaintiff Michael Zhu is an individual and resident of San Jose, California.

7 20. iii International, LLC is an entity incorporated under the laws of the Delaware, with
8 principal place of business and US headquarters in Lehi, Utah.

9 21. Plaintiff is informed and believes and based thereon alleges that Daniel Picou is, and
10 at all times relevant hereto was, an individual residing in Lehi, Utah, as well as Chief Executive
11 Officer of THREE. Plaintiff is further informed and believes and based thereon alleges that Daniel
12 Picou, in his capacity as the Chief Executive Officer of THREE, exercised control over the wages,
13 hours and/or working conditions of Plaintiff and other aggrieved employees, including by informing
14 employees when to report to work and what work hours should actually be recorded, violated, or
15 caused to be violated, the above-referenced and below-referenced California Labor Code provisions
16 in violation of §§ 558.1, 1197.1 and the Industrial Welfare Commission (“IWC”) Wage Orders.

17 22. Plaintiff is informed and believes and based thereon alleges that Troy Mohr is, and at
18 all times relevant hereto was, an individual residing in Farmington, Utah, as well as Chief Operating
19 Officer of THREE. Plaintiff is further informed and believes and based thereon alleges that Troy
20 Mohr, in his capacity as the Chief Operating Officer of THREE, exercised control over the wages,
21 hours and/or working conditions of Plaintiff and other aggrieved employees, including by informing
22 employees when to report to work and what work hours should actually be recorded, violated, or
23 caused to be violated, the above-referenced and below-referenced California Labor Code provisions
24 in violation of §§ 558.1, 1197.1 and the Industrial Welfare Commission (“IWC”) Wage Orders.

25 23. Plaintiff is informed and believes and based thereon alleges that Eric Barkle is, and at
26 all times relevant hereto was, an individual residing in American Fork, Utah as well as Executive
27 Creative Director of THREE. Plaintiff is further informed and believes and based thereon alleges
28 that Eric Barkle, in his capacity as the Executive Creative Director of THREE, exercised control

1 over the wages, hours and/or working conditions of Plaintiff and other aggrieved employees,
2 including by informing employees when to report to work and what work hours should actually be
3 recorded, violated, or caused to be violated, the above-referenced and below-referenced California
4 Labor Code provisions in violation of §§ 558.1, 1197.1 and the Industrial Welfare Commission
5 (“IWC”) Wage Orders.

6 24. Plaintiff is informed and believes and based thereon alleges that Anne Larson is, and
7 at all times relevant hereto was, an individual residing in Salt Lake City, Utah, as well as Vice
8 President of Global Finance of THREE. Plaintiff is further informed and believes and based thereon
9 alleges that Anne Larson, in her capacity as the Vice President of Global Finance of THREE,
10 exercised control over the wages, hours and/or working conditions of Plaintiff and other aggrieved
11 employees, including by informing employees when to report to work and what work hours should
12 actually be recorded, violated, or caused to be violated, the above-referenced and below-referenced
13 California Labor Code provisions in violation of §§ 558.1, 1197.1 and the Industrial Welfare
14 Commission (“IWC”) Wage Orders.

15 25. Plaintiff is informed and believes and based thereon alleges that Janea Janke is, and
16 at all times relevant hereto was, an individual residing in Riverton, Utah, as well as Director of
17 Customer Support of THREE. Plaintiff is further informed and believes and based thereon alleges
18 that Janea Janke, in her capacity as the Director of Customer Support of THREE, exercised control
19 over the wages, hours and/or working conditions of Plaintiff and other aggrieved employees,
20 including by informing employees when to report to work and what work hours should actually be
21 recorded, violated, or caused to be violated, the above-referenced and below-referenced California
22 Labor Code provisions in violation of §§ 558.1, 1197.1 and the Industrial Welfare Commission
23 (“IWC”) Wage Orders.

24 26. Plaintiff is informed and believes and based thereon alleges that Kim Hui is, and at all
25 times relevant hereto was, an individual residing in California, acting as the Gold Diamond Brand
26 Ambassador of THREE. In fact, THREE holds Kim Hui out to the public as being a high ranking
27
28

THREE “member,³ the “heart of [the THREE] community,”⁴ and a leader “guiding a global network of Ambassadors toward purpose, success and wellness at every level.”⁵ Plaintiff is further informed and believes and based thereon alleges that Kim Hui, in her capacity as the company’s “First-Ever Gold Diamond Brand Ambassador” of THREE,⁶ has spread false promises of erroneous financial gain, exercised control over the wages, hours and/or working conditions of Plaintiff and other aggrieved employees, including by informing employees when to report to work and what work hours should actually be recorded, violated, or caused to be violated, the above-referenced and below-referenced California Labor Code provisions in violation of §§ 558.1, 1197.1 and the Industrial Welfare Commission (“IWC”) Wage Orders.

27. In addition, THREE, through ratification, support and endorsement of Kim Hui, specifically and knowingly targets Brand Ambassadors of Chinese heritage to engage in more challenging, more risky, and more time intensive sales directives, including: (i) soliciting Chinese nationals to sign up as Brand Ambassadors overseas; (ii) selling and marketing THREE products to Chinese nationals; or (iii) shipping THREE products internationally to Chinese nationals. As a result, earning commissions is more difficult for these Brand Ambassadors.

28. The true names and capacities of Defendants sued as DOES 1–50, inclusive, are unknown to Plaintiff, who therefore sues said Defendants by such fictitious names pursuant to California Code of Civil Procedure § 474. Plaintiff will seek leave to amend this Demand when said true names and capacities have been ascertained.

³ Video posted by THREE International, Facebook, *History Made. Congratulations to Kim Hui, et al.* (Mar. 22, 2025) <https://www.facebook.com/three.int/videos/history-made-congratulations-to-kim-hui-our-first-ever-gold-diamond-ranking-memb/1362470738541434/> (last visited Mar. 5, 2026).

⁴ Video posted by THREE International, Facebook, *History Made. Congratulations to Kim Hui, et al.* (Mar. 22, 2025) <https://www.facebook.com/three.int/videos/history-made-congratulations-to-kim-hui-our-first-ever-gold-diamond-ranking-memb/1362470738541434/> (last visited Mar. 5, 2026).

⁵ Business for Home, *THREE International Announces Kim Hui as First-Ever Gold Diamond Brand Ambassador* (Apr. 5, 2025) <https://www.businessforhome.org/2025/04/three-international-announces-kim-hui-as-first-ever-gold-diamond-brand-ambassador/> (last visited Mar. 5, 2026).

⁶ Business for Home, *THREE International Announces Kim Hui as First-Ever Gold Diamond Brand Ambassador* (Apr. 5, 2025) <https://www.businessforhome.org/2025/04/three-international-announces-kim-hui-as-first-ever-gold-diamond-brand-ambassador/> (last visited Mar. 5, 2026).

IV. FACTS COMMON TO ALL CLASS MEMBERS AND AGGRIEVED EMPLOYEES

A. Overview of THREE's History and Business Model

29. THREE is a privately owned international company with an estimated revenue of \$65 million to date.⁷ THREE operates in the health and wellness space and its featured products include “luxury skincare” serums, moisturizers as well as multivitamins.

30. Defendants do not sell directly to consumers, nor do they sell to retail outlets, such as department stores or specialty health and wellness stores. Instead, the Company “markets products and services through a network of sales representatives,”⁸ who purportedly sell Defendants’ products to consumers.

31. This sales structure is the sole reason for THREE’s continued profitability.

32. Although it appears that THREE was newly founded in February of 2023 by Daniel Picou, the Company has direct ties to other illegal chain operations that had previously been shut down amidst pyramid scheme allegations and financial trouble.

33. For example, THREE’s Founder and CEO, Daniel Picou, was also the Co-Founder and CEO of Vasayo, a pyramid scheme peddling nutritional supplements that operated from 2016 right up until the day of THREE’s emergence in February of 2023.

34. In fact, when Vasayo closed on February 19, 2023, a prominent Vasayo distributor posted that, “Tomorrow we will launch a brand new company.” That company was in fact, THREE.

35. Prior to Vasayo, Daniel Picou’s Co-Founder, Dallin Larsen, operated Monavie from 2005 to 2015 as another health and wellness pyramid scheme.⁹

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⁷ Business for Home, *THREE International* <https://www.businessforhome.org/companies/three/> (last visited Mar. 5, 2026).

⁸ iii International, LLC, *Policies and Procedures* (2025) https://threemedia.earth/wp-content/uploads/2023/04/PoliciesAndProcedures_V5.pdf, (last visited Mar. 5, 2026).

⁹ Forbes, *Climb to the Top* (Jul. 24, 2008) <https://www.forbes.com/forbes/2008/0811/050.html> (last visited Mar. 5, 2026).

36. Monavie also ran into several legal issues, including lawsuits alleging ERISA violations,¹⁰ false and deceptive advertising claims,¹¹ and trademark infringement.¹²

37. Monavie was eventually forced to close in March of 2015 following its default on a \$182 million loan. Shortly after that, it was acquired by Jeunesse Global, another purported MLM that has faced controversy for making unsubstantiated health claims, and from pyramid scheme allegations.¹³

38. It is important, when contextualizing the rise of THREE, to consider the overlap in other leadership from its predecessors: Doctor Dan Gubler, THREE's current Chief Scientific Officer, was once the Chief Scientific Officer for Vasayo.¹⁴

39. Troy Mohr, THREE's current Chief Operating Officer, was once the Senior Vice President of Global Operations for Vasayo.¹⁵

40. Kim Hui, who is lauded as THREE's "First-Ever Gold Diamond Brand Ambassador,"¹⁶ was once the "Double Diamond Director" of Jeunesse.¹⁷

41. Given this context, THREE is not an innocent or standalone actor, and it is not a newcomer to the MLM and direct-selling space.

¹⁰ *Jessop v. Larsen et. al.*, Case No. 2:14-cv-00916-BJS (D. Utah filed Dec. 18, 2014) at ECF 1.

¹¹ *Buhler v. Mona Vie, Inc.*, Case No. 9:14-cv-80723-DMM (S.D. Fla. filed May 29, 2014) at ECF 1.

¹² DesertNews, *Mona Vie sued for \$2.75B* (May 16, 2008, 12:04 a.m. MDT) <https://www.deseret.com/2008/5/16/20252629/monavie-sued-for-2-75b/> (last visited Mar. 5, 2026).

¹³ Truth in Advertising, *Pyramid Scheme Lawsuit Against Jeunesse Seeks \$1 Billion* (Nov. 1, 2017, updated Jan. 31, 2023) <https://truthinadvertising.org/articles/pyramid-scheme-lawsuit-jeunesse-seeks-1-billion/> (last visited Mar. 5, 2026).

¹⁴ PR Newswire, *Vasayo Welcomes New Chief Scientific Officer, Dr. Dan Gubler* (Jun. 21, 2022, 7:00 ET) <https://www.prnewswire.com/news-releases/vasayo-welcomes-new-chief-scientific-officer-dr-dan-gubler-301571292.html> (last visited Mar. 5, 2026).

¹⁵ PR Newswire, *Vasayo Welcomes New Senior VP of Global Operations, Troy Mohr* (Nov. 6, 2020, 15:30 ET) <https://www.prnewswire.com/news-releases/vasayo-welcomes-new-senior-vp-of-global-operations-troy-mohr-301167963.html> (last visited Mar. 5, 2026).

¹⁶ Business for Home, *THREE International Announces Kim Hui as First-Ever Gold Diamond Brand Ambassador* (Apr. 5, 2025) <https://www.businessforhome.org/2025/04/three-international-announces-kim-hui-as-first-ever-gold-diamond-brand-ambassador/> (last visited Mar. 5, 2026).

¹⁷ *Aboltin v. Jeunesse, LLC*, Case No. 6:17-cv-01624-PGB-KRS (M.D. Fla. filed Jul. 29, 2017) at ECF 123.

42. In fact, THREE has, since its inception, exploited its sales force of Ambassadors by misclassifying them as independent contractors, rather than employees. In knowingly and willfully misclassifying these employees, THREE has been able to mine free marketing and sales support from their Ambassadors. The cost of sales and marketing that THREE has thus far offloaded onto its Ambassadors is highly valuable, potentially worth millions.

43. This is particularly egregious as THREE's California workforce is heavily comprised of marginalized, financially insecure, and non-English speaking individuals. THREE targets Brand Ambassadors of Chinese heritage, and recruits workers who are often shut out of traditional workplaces, such as those with criminal records, those who are raised in or who are active in certain religious communities, women with childcare responsibilities, and military wives.¹⁸ Due to their alienation from traditional workplaces, those targeted by THREE tend to be less familiar with their labor protections, general employment law or even what an illegal pyramid scheme is. Unfortunately, these workers, already stretched thin energetically and financially, are less well-positioned to understand their rights as workers, less likely to identify when their protections are violated, and less able to seek recourse when such violations occur.

44. THREE sales have always existed primarily online. This means that the lion's share of THREE product sales would not be exempt under the AB 5 "direct sales" exemption, California's Unemployment Code § 650. A confluence of factors explain why Ambassadors conduct THREE sales within the virtual realm. First and foremost, social media sites such as Facebook, X (Twitter), Instagram, and TikTok have evolved into powerful marketing tools, and the adoption of these social media are now ubiquitous in the direct sales of THREE products. Social media platforms are now the predominant way MLM sellers connect with both their potential clients and their community of

¹⁸ "The vast majority of people who join multi-level marketing companies do not earn a profit. Those people [] also tend to be women who seek additional income to support a family or to find community." Annie Blackman, *Regulating The Reluctant: Policies That Benefit Vulnerable Participants In Multi-Level Marketing*, 25 U. PA. J.L. & SOC. CHANGE 83, 83 (2021); see generally Krista Marie Federico, Dissertation, *She Works Hard for No Money: Understanding Women's Participation in Multi-Level Marketing Organizations*, U. ARIZ. SCH. SOCIO. (2020).

sellers.¹⁹ In as early as 2019, nearly half of all Americans indicated being “inundated” by social media connections who flooded their “feeds” with posts attempting to sell MLM-affiliated products.²⁰

45. THREE motivates Ambassadors to leverage their own personal social media platforms to gain traction noting, “one thing is certain: if you’re not using social media to grow your business, you’re falling behind.”²¹

46. Despite the pivotal role of its salesforce, THREE has never properly classified Brand Ambassadors as employees. Rather, THREE adheres to a multi-level (network) marketing organization structure, in which it offers people the purported “opportunity” to develop their own business earning commission by selling THREE products and recruiting others to do the same, erroneously designating them as “independent contractors.”

47. However, these Ambassadors are not independent contractors under applicable law. THREE instead chose to unlawfully secure an expansive marketing and sales network for minimal to no cost. It has reaped enormous profits by deliberately avoiding paying wages and benefits to those performing the sales work that forms the backbone of THREE’s business. THREE charges Ambassadors for access to the instrumentalities required to sell products, further increasing THREE’s profits and decreasing Ambassadors’ pay, in violation of California law. The intended result is for Ambassadors to receive, at most, de minimis profit from their work, while providing free labor and shouldering the costs of doing business that THREE should be bearing.

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¹⁹ Lindsay R. Maher, *Note: Americon Dream: Social Pressures and Lackluster Regulation Allow Multi-Level Marketing Companies to Function as De Facto Pyramid Schemes*, 108 MINN. L. REV. 1587, 1622 (2024).

²⁰ Erika Giovanetti, *MLM Consultants Pressure Friends and Family to Overspend, and It's Straining Relationships*, LENDINGTREE, Dec. 16, 2019, <https://www.lendingtree.com/debt-consolidation/survey-mlm-consultants-pressure-spending/>.

²¹ THREE, *The Social Media Advantage: Grow your THREE Business Online* (Jul. 2, 2025) <https://blog.threeinternational.com/en/the-social-media-advantage-grow-your-three-business-online> (last visited Mar. 5, 2026).

1 **B. THREE Brand Ambassadors Are Employees**

2 **1. Controlling Law**

3 48. Companies like THREE were never supposed to be allowed to run an entire business
4 on the backs of independent contractors. People who work in a company’s core line of business are
5 its “employees.” *United States v. Silk*, 331 U.S. 704, 718 (1947).

6 49. A substantial portion of THREE’s marketing workforce can be attributed to its Brand
7 Ambassadors. The number of Ambassadors and their duties, responsibilities and incentive structure
8 will be confirmed should this matter proceed to discovery.

9 50. Despite this, Ambassadors, who make up the bulk of THREE’s workforce, are denied
10 even the most basic protections of federal and state labor laws. THREE does not pay them minimum
11 wage; it does not pay overtime; and it does not reimburse business expenses, such as internet
12 connections, laptops, smart phones, or post promotion over Facebook, YouTube, and Instagram. Its
13 classification of its Brand Ambassadors also deprives them of basic protections against
14 discrimination and sexual harassment.

15 51. By design, “independent contractors” are exempted from “nearly every” labor law,
16 but this classification was not meant to be a loophole for companies like THREE, whose
17 Ambassadors are effectively modern day telemarketers.²² “Historically, firms reserved the
18 independent contractor designation for entrepreneurial individuals whose skills demanded higher
19 pay in the open market.”²³ With this in mind, “[l]egislatures rationalized excluding [independent
20 contractors] from most employment laws because these individuals did not require the same legal
21 protections as potentially more vulnerable, less-skilled ‘employees.’”²⁴

22 52. Today, THREE preys upon many of the most vulnerable members of our society.
23 Despite being a \$40 billion industry, “the vast majority of people involved in them don’t make
24

26 ²² Keith Cunningham-Parmeter, *From Amazon to Uber: Defining Employment in the Modern*
27 *Economy*, 96 B.U. L. REV. 1673, 1683–84 (2016).

28 ²³ *Id.*

²⁴ *Id.*

money off of MLMs, and many people lose money.”²⁵ While THREE defies industry norms and does not publish income disclosure statements reflecting amounts earned by its Ambassadors, the lack of transparency, combined with its commission structure, suggest that its Ambassadors are no different than any other MLM participant. Thus, they are the precise individuals that legislatures meant to shield with minimum wage and other workplace protections.

53. In recent years, state legislatures have taken action to send a clear message that most workers should be “employees.”

54. California has adopted the “ABC Test” to determine whether a company, like THREE, has misclassified its workers as “independent contractors.” Because employee status was meant to be the default, the ABC Test “presumptively considers all workers to be employees and permits workers to be classified as independent contractors only if the hiring business demonstrates that the worker in question satisfies *each* of three conditions:

- A. that the worker is free from the control and direction of the hirer in connection with the performance of the work... **and**
- B. that the worker performs work that is outside the usual course of the hiring entity’s business; **and**
- C. that the worker is customarily engaged in an independently established ... business of the same nature as that involved in the work performed.”

Dynamex Operations West, Inc. v. Superior Court, 4 Cal.5th 903, 956–57 (2018) (emphasis in original).

2. Brand Ambassadors Are Not Free from THREE’s Control

55. To engage in online marketing work for THREE, the company does not require Ambassadors to hold any special experience, skills, license, or education level. Rather, THREE requires only that a prospective Ambassadors pay a Registration Fee of about \$29.95.

²⁵ Emily Stewart, *\$5 Jewelry And An MLM Conference Gone Wrong: Multilevel Marketing Companies Were the “Perfect” Pandemic Business*, VOX (Sept. 23, 2021), <https://www.vox.com/the-goods/22688317/mlm-covid-19-pandemic-recruiting-sales-paparazzi> (citing study finding that 99 percent of MLM participants lose money).

1 56. All Ambassadors are then required to adhere to iii International Policies and
2 Procedures, which are incorporated into the Brand Ambassador Agreement (the “Agreement”). The
3 2025 version of the Agreement is attached hereto as **Exhibit A** and provides that Ambassadors are
4 to be considered independent contractors. Agreement, p. 1. The 2025 version of the Policies is
5 attached hereto as **Exhibit B** and provides the same. Policies § 2.7(A).

6 57. The Agreement and Policies are draconian and require Ambassadors, “not to utilize
7 any literature, materials, or aids not produced or specifically authorized in writing by iii,”
8 (Agreement, p. 2), to take it upon themselves to “perform an authentic assistance and training
9 function to ensure his or her downline is properly operating his or her iii International business,”
10 (Policies § 3.2(A)), and to engage in “marketing [the] product,” which “is a required activity in iii
11 International and must be emphasized in all recruiting presentations.” Policies § 3.2(D).

12 58. Because THREE treats the Ambassadors as independent contractors, it does not pay
13 them any salary, wages, or benefits. Rather, as is typical in the MLM industry, the THREE
14 Compensation Plan provides for two types of compensation: (1) for sales the Ambassador made to
15 consumers, the Ambassador receives a small percentage as a commission (“Retail Commissions”),
16 and (2) if the Ambassador builds not one, but two “downlines,” i.e., recruits other new Ambassadors
17 in two separate “legs” to market and sell THREE products and recruit more Ambassadors, then the
18 “upline” Ambassador receives a \$35 cycle bonus each time their team accumulates a certain number
19 of “CV points.” THREE also offers special “bonuses” to those Ambassadors who hit certain sales
20 and recruiting metrics in various time frames. The 2023 version of the THREE Financial Rewards
21 Plan, which lays out the aforementioned compensation scheme is attached hereto as **Exhibit C**.

22 59. Brand Ambassadors are responsible for all expenses. This includes a yearly renewal
23 fee of \$29.95 and the minimum monthly personal purchase requirement to qualify for commissions
24 (approximately \$100 in products, prior to tax, shipping, and handling charges in order to equate to
25 60 CV points), on top of the \$29.95 registration fee. In addition, Ambassadors do not receive
26 products for free or even at a discount, but must purchase them at customer price from THREE to
27 create promotional posts and testimonials on social media or to distribute samples. THREE does not
28

reimburse Brand Ambassadors for these purchases, nor for the costs of a cell phone, internet, and other routine business expenses.

60. In the Agreement and the Policies, THREE gives itself broad rights to control Brand Ambassadors and mandate conformance with its directives.

61. THREE's reliance on an e-commerce platform limits Ambassador's discretion and promotes online sales over in-person interactions. Ambassadors' THREE-issued websites, "Replicated Sites," are designed in a way that ensures that Ambassadors operate in compliance with THREE's marketing directives as laid out in its Policies. Because the Replicated Site is not a standalone website, but a portal by which the public can view the products on THREE's own website in a way that gives credit to the Ambassador for the sale, the product pages and descriptions are generated entirely and solely by THREE, with no option for the Ambassador to revise or supplement either the language or photos of the products. Thus, the Ambassador is in effect selling products using only THREE-approved marketing language and intellectual property, as required by the Policies.

62. THREE sets the prices online and does not permit adjustments, nor is there a way for an Ambassador to allow a customer to get a discount, receive a free gift, make a donation, or use any other offer that is not available on THREE's main platforms and to all THREE customers. This significantly limits Ambassadors' marketing discretion.

63. THREE also restricts Ambassadors from using any platform other than THREE's website to make online sales; in other words, they cannot sell the products directly to consumers on Facebook Marketplace, eBay, Amazon, or similar third-party sites. Policies § 9.4(B). By making the Replicated Websites available and performing the back-end work, Ambassadors would be less likely to seek out other e-commerce platforms to sell the products even if they were permitted.

3. Brand Ambassadors' Work Is Not Outside THREE's "Usual Course of Business"

64. THREE views the work of the Brand Ambassadors to market the products online as central to its business model. The primary benefit to THREE from the Ambassadors' work is the way in which they drive people to THREE's website and fuel engagement with the brand. THREE

gets increased visibility on social media, enabling it to compete in a saturated wellness and personal care market more cheaply. For much the same reason that brands turn to influencers, THREE understands that social media posts from friends may be more persuasive in driving interest and generating paying customers than a paid advertisement.

4. THREE Cannot Meet Its Burden To Show That Brand Ambassadors Are “Customarily Engaged” in a Separate Business

65. THREE cannot meet its burden to show that Brand Ambassadors are “customarily engaged” in an independently established sales and marketing business. Instead, most Ambassadors are recruited regardless of their skill or experience, only perform sales and marketing for THREE (using THREE’s approved platforms), and maintain no separate sales or marketing business.

66. Ambassadors are not required to have any background in sales, marketing, or beauty and skin care prior to becoming Ambassadors. Ambassadors are not required to have any licensure or meet any educational requirements, either. For example, they do not need to be licensed nutritionists or cosmetologists, nor have any schooling, training, or prior employment in fields relating to health and fitness, or nutrition. Nor does THREE require that they have schooling, training, or prior employment in marketing, sales, or general business. Instead, THREE only requires that a prospective Ambassador complete a short application asking for basic personal information and agree to pay the monthly fee. In fact, most Ambassadors have little to no prior relevant experience or training.

67. Most Ambassadors have never owned or operated their own separate sales business outside of THREE. And most Ambassadors do not maintain any registered or incorporated sales or marketing business, for their work with THREE or otherwise. Ambassadors generally do not hold themselves out to others as sales or marketing professionals or maintain any office or business address.

68. Rather than rely on Ambassadors’ own business acumen or sales experience to market products, THREE provides the instrumentalities of Ambassadors’ sales and marketing work. These include the personalized “Back Office” (a password-protected website which includes a tool for Ambassadors to send emails to customers and their downline Ambassadors, as well as a gallery of

1 approved images and video clips), the Replicated Website (the content of which is provided by
2 THREE and does not allow deviation from the standard template), the THREE app, and THREE
3 scripts and graphics for use in marketing.

4 69. Ultimately, THREE intends for Ambassadors to see THREE as an employer, not as
5 client. In other words, regardless of whether an Ambassador maintains any kind of independent
6 business, THREE's Policies and mandated instrumentalities of work make it so the Ambassador
7 responsibilities are not those that are of the sort that would be performed by an independent and
8 trained professional. For example, THREE requires Ambassadors to identify themselves by name
9 and as an "Independent iii International Brand Ambassador" on social media profiles and posts.
10 Policies § 9.4(E). The expectation is that the Brand Ambassadors are using THREE's brand to sell,
11 not their own business's identity. Likewise, THREE's Policies promoting sales through the
12 Replicated Websites, restrictions on using other websites as a point of sale, and limitations on where
13 the products can physically be sold effectively prevent Ambassadors from integrating the sale of
14 THREE products into any pre-existing business. And THREE prohibits Ambassadors from using
15 its platforms to promote other businesses, including any other multi-level marketing companies.

16 70. Similarly, those experienced in social media marketing are not allowed to use the
17 kinds of tools relied upon by professionals in the field; THREE forbids Ambassadors from creating
18 or using their own graphics and the only images that are used for social media marketing must come
19 from THREE's approved library and be produced by THREE-approved vendors. Policies §
20 9.4(E)(III). People with digital marketing experience cannot leverage their skills because THREE
21 does not provide access to data collected from visitors to Ambassadors' Replicated Website, nor the
22 ability to track them and target ads to them. Instead, THREE designs the overall social media
23 advertising campaign, and supplies the Ambassadors with hashtags, scripts, promotional photos and
24 video clips, and other strategic advertising directives for the Ambassadors to use to sell THREE's
25 products on social media.

26 71. Further, THREE actively limits Ambassadors' ability to engage in sales or marketing
27 opportunities outside THREE. For example, THREE prohibits Ambassadors from recruiting other
28 Ambassadors to join other MLMs or even to market other MLM products to fellow Ambassadors.

5. THREE Brand Ambassadors Are Not “Direct Sellers.”

72. Despite classifying the Brand Ambassadors as Independent Contractors, they are employees under California law. As set forth below, while some MLM workers might meet the narrow statutory exemption for those employed in “direct sales,” Ambassadors do not.

a. Background on MLMs and the Direct Sales Exemption.

73. For many years, the MLM industry has enjoyed notoriety for its ability to carve out loopholes from federal and state employment laws, permitting MLMs to treat its sales personnel as independent contractors. These regulations were enacted in the 1970s and 1980s, and in California, the exemption describes a different job than what Ambassadors perform.

74. When AB 5 was passed in 2019, it codified the opinion in *Dynamex Operations West, Inc. v. Superior Court of Los Angeles County*, 4 Cal. 5th 903 (2018), in which it set forth a new test for misclassification (the “Dynamex Test”). When the bill was being debated, many in the MLM industry recognized that the Dynamex Test would require them to classify their workers as employees. The Direct Selling Association (“DSA”), the industry lobbying group, pushed for an exemption. As a result of those efforts, AB 5 exempts from the Dynamex Test any salesperson “described in Section 650 of the Unemployment Insurance Code, so long as the conditions for exclusion from employment under that section are met.” (“Direct Sales Exemption”) For such workers who fall within the exemption, the old common law test (rather than the ABC Test) would govern the question of employee status.

75. For an entity to be covered under the Direct Sales Exemption, the hiring entity must show that the work satisfies all three criteria set forth in the statute, namely that (a) the worker performs one of two specific types of work; (b) the worker’s compensation is directly tied to sales or output, and not hours worked; and (c) the worker and business have an agreement that the worker will be treated as a contractor for tax purposes. If all three criteria are not met, then the exemption does not apply, and if the worker otherwise meets the Dynamex Test, they are misclassified. While the third of these criteria—services performed pursuant to a contract identifying the person as an independent contractor—is only facially met, and even if it were an enforceable contract, that factor is not dispositive. As discussed below, the Ambassador job does not satisfy the other criteria.

b. THREE Brand Ambassadors Do Not Perform the Jobs Identified in the Direct Sales Exemption.

76. First, for the Direct Sales Exemption to apply, the salesperson must be performing one of two narrowly defined jobs. Specifically, the Exemption requires that one be “engaged in the trade or business of primarily inperson [sic] demonstration and sales presentation of consumer products, including services or other intangibles, in the home or sales to any buyer on a buy-sell basis, a deposit-commission basis, or any similar basis, for resale by the buyer or any other person in the home or otherwise than from a retail or wholesale establishment.” In other words, section (a) of the Direct Sales Exemption is best understood as identifying two specific categories of direct sales jobs, *Primarily In Person Consumer Sales Work*, and *Wholesale/Resale Work*, that could trigger the applicability of the Direct Sales Exemptions. The Stylist does not fall under either of these categories.

77. **THREE Brand Ambassadors Are Not Engaged Primarily in In-Person Consumer Sales Work.** This job category covers those who are “engaged in the trade or business of primarily inperson [sic] demonstration and sales presentation of consumer products, including services or other intangibles, in the home.” Thus, the exemption is limited to those who are *primarily* selling consumer products *in person* and *in the home*. These terms are significant, as they do not appear in the analogous job category of “direct sellers” under a later federal statute. *See* 26 U.S.C. § 3508(b)(2)(ii). Thus, the California exemption applies narrowly to jobs like door-to-door salespersons, or the direct sellers who work almost exclusively through the home party circuit, i.e., people who sell consumer products by meeting with other consumers in their homes. As discussed throughout, Brand Ambassadors do not “primarily” sell “in person.”

78. **THREE Brand Ambassadors are not engaged in Wholesale/Resale Work.** This job category, which also has a federal parallel, 26 U.S.C. § 3508(b)(2)(i), covers those are engaged in:

- a) “sales to any buyer”
- b) “on a buy-sell basis, a deposit-commission basis, or any similar basis,”
- c) “for resale by the buyer or any other person,” and
- d) “in the home or otherwise than from a retail or wholesale establishment.”

1 While California law does not define the terms buy-sell or deposit-commission in [b], federal
 2 law does. The term “buy-sell basis” is one in which one buys the product to sell the product, and
 3 gets paid for selling the product with the spread between the purchase price and the resale price, and
 4 term “deposit-commission basis” applies where the buyer keeps as commission for a sale of a
 5 product the deposit received from the buyer. *See* 26 U.S.C. 6041A(b)(2)(A) & (B).

6 79. The “Wholesale/Resale Work” is even more narrow than “In Person Home Sales
 7 Work,” and does not apply to THREE. Rather, THREE’S Agreement and Policies require that
 8 Ambassadors sell only to themselves or to retail customers. Nowhere in the Agreement or Policies
 9 or in THREE’S public materials does it state that compensation is on a buy-sell or deposit-
 10 commission basis.

11 80. To illustrate what is meant by “Wholesale/Resale Work,” a hypothetical upline
 12 Ambassador Sue would be performing this work if [a] Sue was selling THREE products to her
 13 downline Ambassador Bob [c] for Bob to resell, not to keep for his own use; and [b] Sue was
 14 compensating Bob for his resale services by permitting Bob to keep the difference between the price
 15 he paid to Sue and the product’s selling price or by permitting Bob to keep the deposit he acquired.
 16 Ambassadors do not work in this way, selling products to Ambassadors for Ambassadors to re-sell.
 17 If Bob directs a lead to his Replicated Website, and the lead purchases a product from THREE, both
 18 he and his upline Ambassador (e.g., Sue) would receive a commission for sales from THREE. But
 19 as to Sue, [a] is not met because Sue did not sell the products to Bob. Because Bob acquired the
 20 products from THREE to sell at retail, not to someone to re-sell, [a] and [c] are not met. As to both,
 21 [b] is not met, because neither sold the product on those terms. Rather, THREE takes the full
 22 payment at the point of sale and sends the product directly to the consumer, and then separately pays
 23 the Ambassador.

24 81. ***The job descriptions in the Direct Sales Exemption predate significant changes to***
 25 ***how MLMs now operate.*** By way of background, these two categories of jobs outlined in the Direct
 26 Sales Exemption were how MLMs organized at the time the Direct Sales Exemption was enacted.
 27 In the 1970s and 1980s, downline sellers hosted parties, traveled door to door, had booths at local
 28 fairs, or visited friends and family in their homes to hand out samples, catalogs, and sales sheets.

1 They took orders and payment directly from the customer. Once the seller had enough orders, the
 2 seller placed the order with the company, received the shipment from the company, and then met
 3 with the customer again in person to deliver the product and if necessary, collect any further
 4 payment that might be due. The direct seller engaged with consumers both directly and personally;
 5 the consumers had little to no interaction with the company.

6 82. In some instances, instead of placing the order with the company, the seller
 7 performing “In Person Home Sales” would place the order with the person in their “upline,” who
 8 was engaged in “Wholesale/Resale Work.” The upline seller acquired products from the company,
 9 and sold them to the downline “In Person Home Sales” worker on a buy-sell or commission deposit
 10 basis for them to sell to end consumers (or to their downlines). The seller was able to do
 11 “Wholesale/Resale Work” because at the time, MLMs permitted direct sellers to fulfill their sales
 12 quotas by either selling the product to retail consumers or selling it to downline sellers.

13 83. Since the Direct Sales Exemption was enacted, various changes in the MLM industry
 14 occurred to move away from this model. Most notably is the fact that over the last few decades,
 15 MLMs have been forced to make changes to their operations in response to regulatory actions and
 16 civil lawsuits by private litigants to enforce anti-pyramid scheme laws. Courts and regulators have
 17 made clear that to avoid violating criminal and civil pyramid scheme laws, MLMs needed to conduct
 18 operations so as to ensure that real, meaningful sales were happening directly to consumers—instead
 19 of primarily to sellers’ own downlines. *See, e.g., Webster v. Omnitrition Int’l*, 79 F.3d 776, 782 (9th
 20 Cir. 1996). It was not enough to simply have a policy that sales should be at retail; the law has
 21 evolved so as to require MLMs to enforce that policy and to demonstrate its effectiveness at ensuring
 22 participants were not merely stockpiling inventory and seeking to recoup losses by recruiting new
 23 sellers to buy the product from them.

24 84. These legal developments have prompted two important changes. First, because
 25 MLMs must ensure retail sales are occurring, few if any MLMs permit sellers to perform
 26 “Wholesale/Resale Work.” Certainly, THREE does not. Second, the work undertaken by MLMs to
 27 enforce policies as to sales at retail results in them exercising far more control than they might have
 28 decades ago.

85. Furthermore, by implementing platforms such as the Replicated Website, THREE can better oversee Ambassadors in their work to ensure they are not engaging in activities that could run afoul of anti-pyramid scheme laws. THREE can oversee all retail sales, given the vast majority occur on its website and on public social media pages. While this control may protect Ambassadors from being a victim of one kind of legal violation, they also remove much of the discretion that other independent MLM contractors had.

c. THREE'S Modern E-Commerce Business Is Unlike Past and Present Direct Sales Companies.

86. The Direct Sales Exemption and its inclusion in AB 5 was based on the MLM industry's claim that it is needed to ensure the industry can continue to offer people the opportunity to create and run their own businesses. Some MLM businesses do run operations that are predominately based on around in-person sales, promoting home parties and sales at community events, like Parent Teacher Association meetings or similar. Some do not allow consumers to buy products via a company website or they use pricing and purchasing policies that give the seller more control. In the primarily face-to-face, in-person sales context, the direct line between a person's effort and a closed sale may still be one that can be drawn and may allow for the kind of independent business operations contemplated by the statute.

87. THREE's operations, however, are a stark departure. The way in which it operates its platforms, including the Replicated Websites, eliminates for the Ambassador nearly all the work associated with operating a business, as compared to MLMs of the past, and of some in the present. At the same time, by removing many of the functions performed by sellers in the past, Ambassadors with expertise, skills, or a willingness to invest in certain areas are unlikely to realize a material change in their earnings prospects.

88. For example, the use of Replicated Websites means that skills or investment in inventory management or distribution processes are not necessary, nor will they have a material impact on an Ambassador's outcome. When customers place orders on the Replicated Websites, THREE fulfills them. Unlike some MLMs, both current and historic, as well as in the traditional wholesale context, Ambassadors do not need to plan to have products on hand or collect bulk orders.

89. Similarly, expertise or support in accounting, finance, economics or pricing will not impact an Ambassador's outcome, because Ambassadors are not able to alter prices at which the products are sold on their Replicated Websites and must sell them at the rate that THREE has determined will cover THREE's expenses, regardless of whether the Ambassador's compensation is enough to cover their own expenses. THREE calculates, collects, and remits sales taxes, and Ambassadors do not need nor would benefit from experience in that area. Unlike some MLMs, both current and historic, as well as in the traditional wholesale context, THREE does not give a larger discount or increase the percentage basis for a commission if an Ambassador orders a larger amount of products for their customers.

90. THREE also pays the Ambassador's upline and downline and determines any compensation owed to them, and thus, an Ambassador does not negotiate or set anyone else's rates of pay. THREE handles the payment interface, and thus Ambassadors do not need expertise in electronic payments, data security and privacy, credit card processing regulations, or similar.

6. THREE's Misclassification of Plaintiff and Brand Ambassadors Was Willful.

91. THREE's decision to misclassify the Brand Ambassadors as independent contractors was willful and intentional.

92. **First**, the management and leadership of THREE have knowingly and intentionally recruited, employed, enlisted, and engaged Ambassadors in California, such as Plaintiff. In addition, THREE is a highly sophisticated company who is not new to the MLM space. Both its management and its legal team would be and should be exposed to news about changes in California law with respect to misclassification.

93. **Second**, as detailed above, the Agreement, the Policies, as well as other materials and communications to Ambassadors, set forth various rules and policies. THREE knew and intended for Ambassadors to conform to these rules and policies and ensured adherence through its own platforms and other instrumentalities.

94. **Third**, THREE knows and depends on the Ambassadors and even the highest levels of the company understand that the Ambassadors play an essential role in THREE's growth and

1 business model. The management team not only understands the essential role the Ambassadors
2 play, but know they are classified as independent contractors, as evidenced by their decision to
3 operate the company as an MLM. Thus, the decision was not a singular decision by a low-level
4 employee, but a conscious and knowing choice endorsed by the highest levels of THREE's
5 management.

6 95. **Fourth**, THREE further knows and understands as an MLM, few workers will make
7 money under a commission structure. Indeed, the commission structure represents significant cost
8 savings over the payment of hourly wages. THREE is aware that it is receiving inexpensive,
9 commission-based work from its Ambassadors—it intentionally structured the program in that way.

10 96. **Fifth**, THREE knew that its Ambassadors were not engaged in either type of work
11 protected under the Direct Sales Exemption. It does not use terms like “buy-sell” or “deposit-
12 commission” in its compensation documents, Policies or Agreement. It also knows that its
13 Ambassadors engage primarily in social media marketing on its behalf, and are rarely, if ever,
14 engaging in person sales or hosting parties in others' homes, particularly during and since the
15 COVID pandemic. And it designs platforms, such as the THREE App, and Replicated Websites, to
16 facilitate online sales and marketing.

17 97. **Sixth**, THREE knew the Direct Sales Exemption was enacted years ago, and there
18 was no guarantee that all MLMs could enjoy its protection. In fact, THREE was founded as an MLM
19 in 2023, and its direct predecessors, Monavie and Vasayo, have been operating as MLMs since 2005
20 and 2016, respectively. THREE's predecessors, Monavie, Vasayo and Jeunesse, all predicated their
21 direct selling business model and thus, THREE should have or did know that the classification of
22 MLM workers has for years been one of the most critical legal and policy issues for the industry.

23 98. Specifically, Monavie and Vasayo, before becoming defunct, were members of the
24 Direct Selling Association (“DSA”), an MLM lobbying association, which disseminates updates
25 about its activities to its members, including its lobbying efforts for exemptions to wage and hour
26 laws for its members. For years, it has issued warnings and information to its members, advising
27 them to review their agreements to ensure conformity.
28

99. For example, in 2018, the DSA filed an amicus brief in a misclassification case pending before the Oregon Supreme Court. There, the court determined that the MLM had misclassified its sales personnel as independent contractors. *See ACN Opportunity, LLC v. Emp't Dep't*, 362 Or. 824 (2018). The decision was based in part on the fact that the statute exempted sales “in the home,” and the legislative history indicated that this exemption was narrowly tailored to apply to things like Tupperware parties. Notably, the concurrence made clear that the direct sales laws on the books reflect outdated direct selling practices and may not reach many modern MLMs.

100. It is hard to imagine that THREE would not have learned of such a decision through its predecessors, Monavie and Vasayo, and especially since the decision was issued by a nearby state supreme court, and particularly given the decision’s significance to its industry, the role played by the DSA, and the timing in the wake of the *Dynamex* decision locally. And shortly after its passage, the DSA announced the creation of an “Independent Contractor Initiative” to combat the consequences of that decision and ensure stronger state laws.²⁶

C. The Terms and Conditions in the Agreement and Policies are Unconscionable, Unfair, and Unlawful.

101. The Agreement and Policies between THREE and the Ambassadors are a tool by THREE to exert control while maximizing THREE’s profits. The Agreement and the Policies are a take-it-or-leave it deal, with no opportunity for negotiation. And many Ambassadors discover that the business arrangement as outlined therein is one in which they will spend extraordinary amounts of time and money promoting the company with little payoff.²⁷ Indeed, the effect of the Agreement and Policies, when considered in tandem with THREE’s other business practices, grossly restricts Ambassadors’ ability to profit from their work advertising sales, and may cause Ambassadors to turn attention to recruiting more Ambassadors into a futile business endeavor.

²⁶ See Jeff Babener, *Op-Ed by Jeff Babener in the World of Direct Selling: DSA Launches Independent Contractor Initiative*, Direct Selling Association (Sept. 10, 2018), <https://www.dsa.org/events/news/individual-press-release/op-ed-by-jeff-babener-in-the-world-of-direct-selling-dsa-launches-independent-contractor-initiative>.

²⁷ Abby Vesoulis & Eliana Dockterman, *Pandemic Schemes: How Multilevel Marketing Distributors Are Using the Internet—and the Coronavirus—to Grow Their Businesses*, TIME, Jul. 9, 2020, <https://time.com/5864712/multilevel-marketing-schemes-coronavirus/>.

102. Indeed, MLMs like THREE have been criticized for the fact that few of the sellers manage to profit. At least one study concluded that 99% of MLM participants do not earn money;²⁸ another found that only 25% earned a profit.²⁹ THREE's numbers are consistent with this low rate of success.

103. Upon information and belief, Ambassadors rarely make any money. In fact, it would be near impossible to make a profit: Ambassadors themselves foot the bill for event registration fees including mandatory yearly conferences, THREE-related travel, office supplies, insurance premiums, products purchased for business purposes, marketing materials, and internet and phone bills, inter alia.

104. Moreover, THREE has structured its business operations and agreements to benefit from the addition of more Ambassadors, while the Ambassadors themselves, lose. THREE benefits when tens of thousands are active on social media but incurs no other expense unless the Ambassador generates a sale. While THREE benefits from an oversaturation of Ambassadors, the individual Ambassadors only have more competitors and a harder time setting themselves apart. And nowhere in the Agreement or Policies does THREE promise to limit the number of Ambassadors retained in any way.

105. Given that Ambassadors must compete with THREE and other Ambassadors for retail sales under such oppressive and onerous terms, it is no surprise that the overwhelming majority never receive commission or struggle to break even. But because Ambassadors receive commission from the retail sales made by any Ambassadors they recruit under them, those who advance to higher levels via recruitment of more Ambassadors on average earn more money. Thus, Ambassadors have a financial incentive to advertise the opportunity to work with THREE under these unfair, unconscionable, and oppressive terms. Those new Ambassadors in turn will pay THREE various fees discussed herein, buy merchandise from THREE, promote THREE on social media, be subject

²⁸ *Id.*

²⁹ *What is Multilevel Marketing (MLM)?*, AARP FOUNDATION, <https://www.aarp.org/aarp-foundation/our-work/income/multilevel-marketing/> (last accessed Oct. 30, 2024).

1 to the same restrictions on selling as those who recruited them, and like those before them, find
2 profiting from selling to be futile and turn to recruiting.

3 **D. Defendants' Misclassification of Brand Ambassadors Constitutes an Unfair**
4 **Business Practice and Harms the California Public.**

5 106. THREE's misclassification of its workers and unfair and unconscionable business
6 model threatens the general public. Because THREE has no incentive to stop these practices, a
7 public injunction is necessary to stop these practices.

8 **1. THREE Uses Widespread Advertising Practices Directed at the General**
9 **Public to Recruit New Brand Ambassadors.**

10 107. THREE has eschewed traditional recruiting practices in lieu of widespread
11 advertising. Because of how THREE recruits, nearly everyone in the state of California is likely to
12 be targeted for recruiting and engagement in THREE's unfair and unlawful business model.

13 108. Rather than market job opportunities to job seekers meeting certain criteria, THREE
14 uses its Brand Ambassadors to promote the Ambassador opportunities in the same way they
15 advertise its products. THREE has set up its compensation structure and business model to
16 incentivize Ambassadors to turn to recruiting, and those Ambassadors in turn will promote the
17 opportunity to their customers, as well as their family and friends. Thus, the public does not need to
18 be affirmatively seeking out job opportunities; merely buying a routine consumer good or having a
19 friend or family member working as an Ambassador may subject them to recruiting messaging, and
20 by extension, could lead them to accept the Agreement and Policies and become an Ambassador.

21 109. Moreover, THREE's reliance on its existing Ambassador network to advertise the
22 Independent Consulting opportunity is likely to cause the message to reach the general public at
23 large, as its network is wide-ranging. While the MLM industry generally saw massive upticks in
24 enrollment numbers during the COVID-19 pandemic, and numbers have declined since then, there
25 are likely thousands still in California, and numbers could surge under another pandemic or major
26 economic downturn. Ambassadors need not respect geographic boundaries when advertising the
27 Ambassador opportunity, and thus, any member of the California public who either personally
28

1 knows an Ambassador or follows one on social media, regardless of where the Ambassador lives,
2 is likely to receive messages about the Ambassador opportunity.

3 110. Because of the financial incentives those Ambassadors receive, members of the public
4 may sometimes repeatedly and consistently receive advertising about the Ambassador opportunity
5 over weeks or months at a time, and perhaps from multiple different Ambassadors. Indeed, each
6 newly recruited Ambassador presents the risk of an exponential increase of Ambassadors.
7 Ambassadors can maintain their status and receive additional compensation based on the sales
8 volume of the downline Ambassadors that they recruited. The more Ambassadors recruited into
9 their downline, the more likely it is that they will be able to generate more income.

10 111. Because Ambassadors are incentivized to aggressively recruit new Ambassadors, and
11 THREE considers every customer to be a potential Ambassador, California's residents are
12 vulnerable to long-term consequences of THREE's rampant misclassification. Notably, THREE is
13 not a selective employer; it requires little in the way of experience or other criteria. The
14 overwhelming majority of adults in the state of California are likely qualified for the job, and
15 millions of people in the state may seek out this opportunity. Indeed, it is estimated that one in every
16 thirteen Americans will participate in an MLM at some point in their lifetimes.³⁰ This could translate
17 into hundreds of thousands of Californians, if not millions of Californians, who are at risk of being
18 recruited into an illegal and unfair working arrangement.

19 2. THREE's Unfair and Unlawful Conduct Harms California In Other 20 Ways.

21 112. Beyond recruitment, THREE's misclassification of their Ambassadors harms
22 Californians both economically and socially. When Ambassadors lose money and accumulate credit
23 card debt, they and their families are harmed by the siphoning away of their uncompensated time
24 and lost money on business expenses. This results in them and their families having fewer resources
25 to invest in legitimate businesses and less time to spend working for real, guaranteed wages. And
26

27 ³⁰ Marguerite DeLiema, et al., *AARP Study of Multilevel Marketing: Profiling Participants and their*
28 *Experiences in Direct Sales*, AARP FOUNDATION (2018), at 13,
https://www.aarp.org/content/dam/aarp/aarp_foundation/2018/pdf/AARP%20Foundation%20MLM%20Research%20Study%20Report%2010.8.18.pdf.

1 instead of the opportunity being a “side hustle” that allows them to pay off mortgages or student
 2 loan debt, cover costs of childcare, or otherwise advance financially, the loss of money from
 3 Independent Consulting could cause them more economic hardship.

4 113. This public harm intensifies during periods of economic and global crises. It is well-
 5 documented that MLMs profited from greater recruitment of participants during the COVID-19
 6 pandemic.³¹ THREE expects the same profit from future crises, such as financial recessions, because
 7 it recruits new Ambassadors under the guise that they will be able to grow their own business with
 8 a sustainable income. THREE siphons potential workers away from legitimate opportunities with
 9 the promises of building a personal business, when these individuals are under THREE’s control
 10 with none of the benefits of proper classification.

11 114. THREE’s practices also harm competitors, such as legitimate companies in the health
 12 and wellness space, who must and do pay wages and benefits at prevailing market rates to market
 13 and sell their products. By misclassifying its workers, and paying them only for certain sales,
 14 THREE incurs lower expenses, giving them a competitive advantage over other market participants.

15 115. The California Legislature specifically considered harms like these in passing AB 5.
 16 The legislature recognized “harm to misclassified workers who lose significant workplace
 17 protections, the unfairness to employers who must compete with companies that misclassify, and
 18 the loss to the state of needed revenue from companies that use misclassification to avoid obligations
 19 such as payment of payroll taxes, payment of premiums for workers’ compensation, Social Security,
 20 unemployment, and disability insurance” and that “the misclassification of workers as independent
 21 contractors has been a significant factor in the erosion of the middle class and the rise in income
 22 inequality.” THREE’s continued misclassification of California workers will exacerbate all these
 23 harms to the California public.

24 116. Absent an injunction protecting the public from the negative impacts of Defendants’
 25 illegal activities, including by and through their officers and/or entities in their control, the
 26

27 ³¹ Abby Vesoulis & Eliana Dockterman, *Pandemic Schemes: How Multilevel Marketing*
 28 *Distributors Are Using the Internet—and the Coronavirus—to Grow Their Businesses*, TIME, Jul.
 9, 2020, <https://time.com/5864712/multilevel-marketing-schemes-coronavirus/>.

California public remains at risk from THREE's deceptive recruitment strategies and the economic and social harms created by their unlawful practices.

E. THREE Targets and Recruits Brand Ambassadors of Chinese Heritage, Intentionally Subjecting Them to More Rigorous and Stringent Sales Directives

117. In order to exploit the mainland Chinese market (in other words, excluding Taiwan and Hong Kong), THREE specifically and knowingly targets Brand Ambassadors of Chinese heritage to engage in more challenging, more risky, and more time intensive sales directives, including: (i) soliciting Chinese nationals to sign up as Brand Ambassadors overseas; (ii) selling and marketing THREE products to Chinese nationals; or (iii) shipping THREE products internationally to Chinese nationals. As a result, earning commissions is more difficult for these Brand Ambassadors.

118. THREE leadership, through and including Kim Hui and her direct reports, Samson Li, He Ping, and Chloe Zhao, regularly direct Brand Ambassadors of Chinese heritage via official THREE trainings conducted only in Chinese and via their positions of power at the Company, to in turn recruit mainland Chinese citizens to become Brand Ambassadors. This is a more time-intensive process of recruitment due to time zone differences, language requirements and sheer distance. This is also a riskier sales directive because Brand Ambassadors are not counseled or taught the regulatory or legal implications of soliciting work internationally.

119. In fact, Plaintiff was specifically coached to make sales and recruitment pitches to mainland Chinese citizens and to describe THREE's business as being a "new e-commerce method" or "新的电子商务的方式," and to affirmatively state that the Company was *not* operating an MLM or a pyramid scheme.

120. These trainings were conducted via Zoom and the Chinese application, Tencent. If this matter proceeds to discovery, Plaintiff will seek production of such meetings as, upon information and belief, such discussions were recorded.

121. Attendees to these trainings included Brand Ambassadors of Chinese heritage like Plaintiff but also included mainland Chinese THREE Ambassadors who had already been recruited by others at the Company. Indeed, these Tencent video trainings were often held late in the evening,

1 around 7 PM or 8 PM PST, so that Chinese Brand Ambassadors could also join at 10 AM or 11 AM
2 in the morning in China.

3 122. In addition, Defendants asked Brand Ambassadors of Chinese heritage to ship
4 products via the Company website to mainland China, but did not explain the applicable tax laws
5 or regulatory tax implications of this business practice.

6 123. Indeed, Plaintiff was personally instructed to send a shipment of THREE products to
7 a customer in Tianjing, China and instead of opting to pay almost \$240 for shipment directly from
8 the US to Tianjing, he was directed to use the THREE website to pay \$0 for shipping by sending
9 the goods from the US to Hong Kong, and for someone to instead smuggle the goods to their final
10 destination in mainland China from Hong Kong.

11 124. By directing THREE Brand Ambassadors of Chinese heritage to complete more
12 challenging, more risky, and more time-intensive sales directives, THREE purposely created a
13 separate class of Brand Ambassadors, who were not properly compensated for their extra skill and
14 effort and time.

15 125. In addition, THREE created a sales landscape that made it far more difficult for Brand
16 Ambassadors of Chinese heritage to earn the same sales commissions and gain sales leads that non-
17 Chinese Brand Ambassadors, who did not spend time conversing with, connecting with, selling to,
18 and marketing to, Chinese nationals, could.

19 126. Even if THREE's compensation plan did permit Plaintiff to retain commissions from
20 overseas sales, doing so was inherently chancier due to a variety of factors including the differing
21 political environments in Hong Kong and mainland China, and their relationships to one another,
22 and to the US.

23 127. THREE knew of these risks, as well as the risks that might befall Brand Ambassadors
24 of Chinese heritage in the event its business practices as communicated to the Ambassadors did not
25 comply with foreign or international laws on imports and customs, and the overseas regulation of
26 MLMs.

27 128. The targeting of Brand Ambassadors of Chinese heritage was purposeful, knowing,
28 and intentional. THREE, through Kim Hui and Samson Li and others, created pamphlets in Chinese

1 discussing the Brand Ambassador points system, held seminars and online web trainings in Chinese,
 2 as well created leaflets to explain and justify away shipping products internationally and into
 3 mainland China via the Company website.

4 129. Upon being targeted by THREE to perform tasks on behalf of the Company in
 5 contravention of applicable domestic and international law, Brand Ambassadors of Chinese heritage
 6 were harmed by THREE, rendering them more vulnerable and liable to suffer legal repercussions
 7 than their non-Chinese counterparts.

8 130. In addition and on account of THREE's actions, the Brand Ambassadors of Chinese
 9 heritage were duly subjected and recruited to unknowingly take part in a fraudulent business practice
 10 without their consent or full knowledge and understanding.

11 131. Upon information and belief, no other group of Brand Ambassadors of any other
 12 national origin or ancestry or heritage was targeted or encouraged to assist THREE to contravene
 13 applicable domestic and foreign laws in this manner.

14 **F. Plaintiff's Experiences as a THREE Brand Ambassador**

15 132. Plaintiff worked for THREE as a Brand Ambassador from June 2023 to September
 16 2025.

17 133. When he signed up, Plaintiff was required by THREE to adhere to its many rules and
 18 policies, including those codified in the iii International Policies and Procedures, the Brand
 19 Ambassador Agreement, the Electronic Signature Agreement, the Privacy Policy and the iii
 20 International Rewards Plan. Plaintiff was not engaged in an independently established trade,
 21 occupation, or business as a sales professional and had limited sales experience. THREE also
 22 required Plaintiff to purchase a "Founder Pack" and pay an enrollment fee to become a Brand
 23 Ambassador.

24 134. Around the time he signed up, Plaintiff was able to access the THREE Back Office,
 25 which he used for marketing and sales funneling all of his transactions through the Company's
 26 platform for purposes of THREE's monitoring and compliance.

27 135. THREE also provided Plaintiff with a personalized THREE website URL for his
 28 Replicated Website and instructed him to provide it to prospective customers.

1 136. At no time was Plaintiff instructed to focus on in-person sales. As a general matter,
2 Plaintiff understood from communications, directives, and practices of THREE that sales efforts
3 were to be predominately online.

4 137. In the course of his tenure as an Ambassador on behalf of THREE, Plaintiff
5 predominately marketed THREE products via messaging apps such as WeChat. To carry out this
6 marketing work, Plaintiff performed the following tasks:

- 7 a) Purchased, studied, and tested THREE products;
- 8 b) Developed and followed up with THREE sales leads;
- 9 c) Organized online private WeChat groups to solicit sales leads;
- 10 d) Participated in efforts to recruit, onboard, train, and/or mentor new Ambassadors;
- 11 e) Attending meetings with upline and downline Ambassadors;
- 12 f) Tracked and reported his progress and sales using his Replicated Website; and
- 13 g) Attended the yearly mandatory THREE conference, which included three full
14 days of THREE programming.

15 138. Plaintiff performed all these tasks regularly throughout his tenure, typically spending
16 about two to three hours a week. Plaintiff performed these activities throughout the day, nearly every
17 workday.

18 139. Plaintiff rarely, if ever, sold to customers in-person, and his advertising and messaging
19 was done online.

20 140. Plaintiff, like all Ambassadors, worked under THREE's pervasive control and
21 direction. Selling THREE products—the main responsibility of Ambassadors —is work that is
22 precisely in line with THREE's usual and central course of business.

23 141. Plaintiff paid the following fees and out-of-pocket, work-related expenses throughout
24 his tenure, for which he was not reimbursed by THREE:

- 25 a) An enrollment fee of \$29.95;
- 26 b) A required annual renewal fee of \$29.95;
- 27 c) The purchase of a "Founder Pack" for about \$2,200.00;

- d) The required monthly \$70-\$100 purchase of new inventory in order to keep one's Ambassador title via accumulation of 60 requisite CV points;
- e) Fees for mandatory yearly conferences hosted by THREE;
- f) Travel and lodging to the mandatory yearly conferences hosted by THREE; and
- g) Monthly bills for his cell phone and internet usage.

142. During Plaintiff's tenure, THREE determined the prices at which all products could be sold. He did not have the authority nor ability to sell or advertise prices for THREE products at a different price. All sales by any customer that Plaintiff referred to THREE were made through THREE-controlled platforms.

143. During Plaintiff's tenure, including during the last two years, Plaintiff was not compensated for his time doing any of the forementioned activities, nor paid any overtime. Plaintiff was informed by THREE in September of 2025, that THREE was terminating his employment, effective immediately, erroneously claiming that Plaintiff had tried to promote other Ambassadors to join THREE's competitors in contravention of the Policies and Procedures. This was not true. Plaintiff did not ever receive a final paycheck for unpaid wages approximately totaling at least \$1,200 let alone within 72 hours of his termination.

144. During Plaintiff's tenure, Plaintiff regularly paid out of pocket for expenses related to his work for THREE. Plaintiff was not compensated for out-of-pocket expenses.

145. The commissions were paid via direct deposit. No paystub was provided that identified hours worked, nor were any employment taxes withheld at any time.

V. CLASS ALLEGATIONS

146. Plaintiff incorporates and realleges the above paragraphs.

147. Plaintiff brings this action on his own behalf, as well as on behalf of each and all other persons similarly situated, and thus seeks class certification under California Code of Civil Procedure section 382.

148. All claims alleged herein arise under California law for which Plaintiff seeks relief authorized by California law.

149. Plaintiff's proposed class consists of and is defined as follows:

All current and former THREE Brand Ambassadors who resided in the State of California or who performed marketing or sales activities in California during the applicable statutes of limitations through the date a class is certified.

150. Plaintiff also alleges the following subclass:

The Above-Standard Minimum Wage Subclass

All current and former THREE Brand Ambassadors classified as independent contractors who resided in California cities or counties with a minimum wage rate greater than the California minimum wage during the applicable statutes of limitations through the date a class is certified. This subclass includes, but is not limited to, residents of Los Angeles (City and County), San Francisco, San Diego, Oakland, and San Jose.

The California Brand Ambassadors of Chinese Heritage Subclass

All current and former THREE Brand Ambassadors of Chinese heritage.

151. Members of the Class will hereinafter be referred to as “Class Members.” Plaintiff reserves the right to redefine the Class and to add subclasses as appropriate based on further investigation, discovery, and specific theories of liability.

152. **Ascertainable and numerous.** The Class is ascertainable and numerous such that joinder is impractical. The membership of the entire class is unknown to Plaintiff at this time. However, the class will likely consist of thousands of members, the precise number which is within the knowledge of and can be readily ascertained through THREE’s records.

153. **Community of Interest.** There is a well-defined community of interest amongst Class Members. A class action is superior to all other available methods for the fair and efficient adjudication of this lawsuit because the Class is both numerous and its membership is geographically widespread across California. A class action will achieve economies of time, effort and expense as compared with separate lawsuits, and will avoid inconsistent outcomes because the same issues can be adjudicated in the same manner and at the same time for the entire class. In addition:

154. **Predominating Common Questions.** There are numerous questions of law and fact common to the Class which predominate over any questions affecting only individual members of the Class. Among the questions of law and fact common to the Class are:

- a) Whether THREE misclassified its Brand Ambassadors as independent contractors when in fact they were THREE employees;
- b) Whether THREE failed to pay Plaintiff and Class Members the legally mandated minimum wage for all hours worked;
- c) Whether THREE failed to pay Plaintiff and Class Members overtime wages;
- d) Whether THREE failed to timely pay wages due to Plaintiff and Class Members during their employment;
- e) Whether any misclassification by THREE was voluntary and knowing;
- f) Whether Brand Ambassadors' duties fall within the Direct Sales Exemption to AB5;
- g) Whether THREE controlled the manner and means of the Brand Ambassadors' work;
- h) Whether THREE failed to reimburse Brand Ambassadors' business expenses;
- i) Whether THREE failed to maintain accurate time records for its Brand Ambassadors;
- j) Whether THREE failed to provide complete and accurate wage statements to its Brand Ambassadors;
- k) Whether THREE failed to pay Brand Ambassadors their wages due at termination; and
- l) Whether THREE should be enjoined from continuing the practices described herein.

155. **Typicality.** Plaintiff's claims are typical of the claims of Class Members because Plaintiff, like all members of the Class, worked as a Brand Ambassador for THREE in California, was required to adhere to THREE's policies, and was paid on a commission basis. Furthermore, like all members of the Class, Plaintiff sustained damages from THREE's wrongful conduct. Accordingly, Plaintiff has no interests antagonistic to the interests of any other member of the Class.

156. **Adequacy.** Plaintiff will fully and adequately assert and protect the interests of the Class and has retained counsel who are experienced in prosecuting class actions. Plaintiff

acknowledges that he has an obligation to make known to the Court any relationship, conflicts or differences with any Class Member. Plaintiff's attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Accordingly, Plaintiff is an adequate representative and will fairly and adequately protect the interests of the Class.

VI. FACTS RELATING TO PLAINTIFF AS A PRIVATE ATTORNEY GENERAL

157. At all times set forth herein, PAGA was applicable to Plaintiff's employment by Defendants.

158. At all times set forth herein, PAGA provides that, notwithstanding any other provision of law, any provision of law under the California Labor Code that provides for a civil penalty, including unpaid wages and premium wages, to be assessed and collected by the California Labor & Workforce Development Agency ("LWDA") for violations of the California Labor Code may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of the aggrieved employee and other current or former employees pursuant to procedures set forth in California Labor Code § 2699.3.

159. Pursuant to PAGA, a civil action may be brought by an "aggrieved employee," who is any person that was employed by the alleged violator and against whom one or more of the alleged violations was committed.

160. Plaintiff was employed by Defendants and the alleged violations were committed against him and he is, therefore, an aggrieved employee. Likewise, the other Ambassadors who worked within the relevant time are "aggrieved employees" as defined by California Labor Code § 2699(c) in that they are current or former employees of Defendants and one of more of the alleged violations were committed against them.

161. Pursuant to California Labor Code §§ 2699.3 and 2699.5, an aggrieved employee, including Plaintiff, may pursue a civil action arising under PAGA after the following requirements have been met:

- a) The aggrieved employee shall give written notice (hereinafter "Employee's Notice") to the LWDA and the employer of the specific provisions of the Labor

Code alleged to have been violated, including the facts and theories to support the alleged violations.

b) The LWDA shall provide notice (hereinafter “LWDA Notice”) to the employer and the aggrieved employee that it does not intend to investigate the alleged violation within sixty (60) calendar days of the postmark date of the Employee’s Notice. Upon receipt of the LWDA Notice, or if the LWDA Notice is not provided within sixty-five (65) calendar days of the Employee’s Notice, the aggrieved employee may commence a civil action pursuant to California Labor Code section 2699 to recover civil penalties in addition to any other penalties to which the employee may be entitled.

162. As to all Defendants but Kim Hui, Plaintiff has satisfied these statutory requirements. On November 3, 2025, Plaintiff provided notice by electronic submission to the LWDA and by certified mail to Defendants Daniel Picou, Troy Mohr, Eric Barkle, Anne Larson, and Janea Janke regarding the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations, pursuant to § 2699.3. A true and correct copy of that notice letter is attached as **Exhibit D**. The LWDA has not expressly stated that it will intervene or investigate, or otherwise responded regarding Plaintiff’s asserted PAGA claims against Defendants.

163. On March 3, 2026, Plaintiff provided notice by electronic submission to the LWDA and by certified mail to Defendant Kim Hui regarding the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations, pursuant to § 2699.3. A true and correct copy of that notice letter is attached as **Exhibit E**. The LWDA has not expressly stated that it will intervene or investigate, or otherwise responded regarding Plaintiff’s asserted PAGA claims against Kim Hui herein. If the LWDA does not respond to the letter within 65 days, or elects to investigate but issues no citation within 120 days, Plaintiff will amend his complaint to assert PAGA claims seeking civil penalties against Kim Hui for violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1174, 1194, 1197, 1197.1, 1198, 2800 and 2802.

1 **VII. CAUSES OF ACTION**

2 **FIRST CAUSE OF ACTION**

3 **(Failure to Pay Minimum Wages and Liquidated Damages)**
4 **Cal. Lab. Code §§ 1182.12, 1194, 1197, 1197.1, 1198, IWC Wage Order 4-2001**

5 ***Against iii International, LLC; Daniel Picou; Troy Mohr; Eric Barkle; Anne Larson; Janea***
6 ***Janke; Kim Hui; and Doe Defendants 1–50, inclusive***

7 164. Plaintiff realleges and incorporates by reference all preceding allegations as though
8 fully set forth herein.

9 165. At all relevant times, California Labor Code §§ 1182.12, 1194, 1197, 1197.1, 1198,
10 and IWC Wage Order 4-2001, have provided that the minimum wage for employees fixed by the
11 Industrial Welfare Commission is the minimum wage to be paid to employees, and the payment of
12 a wage less than the minimum so fixed is unlawful. California law provides employees in California
13 must be paid for all hours worked, up to 40 per week or eight (8) per day, at a regular time rate no
14 less than the mandated minimum wage. Compensable work time is defined by the applicable wage
15 order as “the time during which an employee is subject to the control of an employer and includes
16 all the time the employee is suffered or permitted to work, whether or not required to do so.” Cal.
Code Regs. Tit. 8, § 11070(2)(G) (defining “Hours Worked”).

17 166. As alleged herein, during the relevant time period, THREE maintained and still
18 maintains a policy of requiring employees to work off-the-clock, without compensation. THREE
19 only compensates Ambassadors, including Plaintiff, based on specific sales placed through the
20 THREE website, and does not pay wages for other hours worked. These hours include time spent
21 doing the following, inter alia:

- 22 a) in training;
- 23 b) making and responding to social media posts;
- 24 c) purchasing inventory from THREE;
- 25 d) communicating with other Brand Ambassadors about policies, practices, and
- 26 sales instructions and guidance;
- 27 e) communicating with customers after their purchases were made to handle routine
- 28 customer service;

1 f) traveling and attending costly conferences and coaching; and

2 g) handling other responsibilities as needed.

3 Plaintiff and Class Members performed these activities throughout the day, nearly every workday,
4 often in short increments adding up to two to three hours a day.

5 167. THREE provided no way for Plaintiff and Class Members to log time spent and
6 submit to THREE.

7 168. THREE's failure to pay Plaintiff and Class Members for work, and failure to pay
8 overtime wages owed, also resulted in failures to pay Plaintiff and Class Members the minimum
9 wage required, in violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, 1198. In
10 addition, THREE's failure to pay for hours worked is a violation of various municipal and county
11 codes across the state, including, but not limited to City of San Jose Municipal Code, Title 4, Chapter
12 4.100.040.

13 169. California Labor Code § 558.1 states that any employer or person acting on behalf of
14 an employer who causes a violation is liable, among other things, for minimum wage violations.
15 *See* Cal. Lab. Code § 558.1. Defendants iii INTERNATIONAL, LLC; DANIEL PICOU; TROY
16 MOHR; ERIC BARKLE; ANNE LARSON; JANEAN JANKE; KIM HUI; AND DOE
17 DEFENDANTS 1–50, inclusive, failed to pay Plaintiff and other aggrieved employees the minimum
18 wage and all Defendants are liable for causing this violation under § 558.1.

19 170. As such, pursuant to California Labor Code § 1194.2, Plaintiff and Class Members
20 are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and
21 interest thereon. Pursuant to § 558(a), Plaintiff and Class Members are also entitled to recover
22 unpaid wages and statutory damages in the amount of \$50 for any initial violation per employee for
23 each pay period and \$100 for each subsequent violation per employee for each pay period and
24 interest pursuant to § 218.6.

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SECOND CAUSE OF ACTION

**(Failure to Pay Overtime Wages and Liquidated Damages)
Cal. Lab. Code §§ 510, 558.1, 1194.2, 558(a); IWC Wage Order 4-2001**

Against iii International, LLC; Daniel Picou; Troy Mohr; Eric Barkle; Anne Larson; Janea Janke; Kim Hui; and Doe Defendants 1–50, inclusive

171. Plaintiff realleges and incorporates by reference all preceding allegations as though fully set forth herein.

172. California Labor Code § 510 and Wage Order No. 4-2001 require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek. During the relevant time period, Plaintiff and other aggrieved employees worked over 8 hours in a day and/or 40 hours in a week without overtime compensation because THREE failed to pay them for their work duties, as described above. This was, in turn, due to THREE's unlawful misclassification of Ambassadors as independent contractors rather than as employees. On occasions when Plaintiff and other aggrieved employees had already worked eight hours in one day (performing all their work off-the-clock), THREE failed to pay them any overtime compensation due. Therefore, THREE and the other aggrieved employees were entitled to receive overtime compensation from THREE that THREE failed to pay, violating California Labor Code § 510 and Wage Order No. 4-2001. In addition, THREE's failure to pay overtime is a violation of various municipal and county codes across the state, including, but not limited to City of San Jose Municipal Code, Title 4, Chapter 4.100.040.

173. California Labor Code § 558.1 states that any employer or person acting on behalf of an employer who causes a violation is liable, among other things, for overtime wage violations. *See* Cal. Lab. Code § 558.1. Defendants iii INTERNATIONAL, LLC; DANIEL PICOU; TROY MOHR; ERIC BARKLE; ANNE LARSON; JANEA JANKE; KIM HUI; AND DOE

DEFENDANTS 1–50, inclusive, failed to pay Plaintiff and other aggrieved employees overtime wages and all Defendants are liable for causing this violation under § 558.1.

174. As such, pursuant to California Labor Code § 1194.2, Plaintiff and Class Members are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon. Pursuant to § 558(a), Plaintiff and Class Members are also entitled to recover unpaid wages and statutory damages in the amount of \$50 for any initial violation per employee for each pay period and \$100 for each subsequent violation per employee for each pay period and interest pursuant to § 218.6.

THIRD CAUSE OF ACTION

(Failure to Timely Pay Wages During Employment)
Cal. Lab. Code §§ 204, 210(a), 218.6

Against iii International, LLC

175. Plaintiff realleges and incorporates by reference all preceding allegations as though fully set forth herein.

176. At all relevant times herein set forth, California Labor Code § 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

177. California Labor Code § 204 also requires that all wages earned for labor more than the normal work period shall be paid no later than the payday for the next regular payroll period.

178. During the relevant period, THREE failed to pay Plaintiff and the Class, as well as all other aggrieved employees, all wages due to them, including minimum wages, overtime wages, and meal and rest period premium wages, within any time period specified by § 204. Moreover, THREE failed to pay Plaintiff or other aggrieved employees earned commissions in a timely and complete fashion.

179. As such, pursuant to California Labor Code § 210(a), Plaintiff and Class Members are entitled to recover stator damages in the amount of \$100 for any initial violation per failure to pay each employee and \$200 for each subsequent, or willful or intentional violation for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld, and interest pursuant to § 218.6.

FOURTH CAUSE OF ACTION

(Failure to Timely Pay All Earned and Unpaid Wages Upon Separation of Employment)
Cal. Lab. Code §§ 201-203, 558.1

Against iii International, LLC; Daniel Picou; Troy Mohr; Eric Barkle; Anne Larson; Janea Janke; Kim Hui; and Doe Defendants 1-50

180. Plaintiff realleges and incorporates by reference all preceding allegations as though fully set forth herein.

181. At all times relevant herein set forth, California Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves their employment, their wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of their intention to quit, in which case the employee is entitled to their wages at the time of quitting.

182. California Labor Code § 203 provides that, at the time of termination of employment, the employer must pay an employee all wages due and owing within the time frames set forth in §§ 201, *et seq.* If an employer willfully refuses to pay, without abatement or reduction, in accordance with §§ 201 and 202, any wages of an employee who is discharged or who quits, the employee's wages shall continue as a penalty for up to thirty (30) days from the due date, until paid or until an action to recover those wages is commenced.

183. As alleged herein, following Plaintiff's final day of employment, THREE willfully failed to pay Plaintiff and the Class all wages due and owing within the deadlines set forth in California Labor Code §§ 201, *et seq.*, including unpaid overtime wages and wages for missed/noncompliant meal and rest periods.

184. California Labor Code § 558.1 states that any employer or person acting on behalf of an employer who causes a violation is liable, among other things, for failure to pay all wages at the time of termination. *See* Cal. Lab. Code § 558.1. Defendants iii INTERNATIONAL, LLC; DANIEL PICO; TROY MOHR; ERIC BARKLE; ANNE LARSON; JANE JANKE; KIM HUI; AND DOE DEFENDANTS 1–50, inclusive, failed to pay all wages at the time of termination of Plaintiff and Class Members and all Defendants are liable for causing this violation under § 558.1.

185. Pursuant to California Labor Code § 203, Plaintiff and the Class are entitled to recover waiting time penalties of up to thirty (30) days’ pay, plus attorneys’ fees and costs, in an amount according to proof.

FIFTH CAUSE OF ACTION

(Failure to Keep Requisite Payroll Records) Cal. Lab. Code § 1174(d), 1174.5

Against iii International, LLC

186. Plaintiff realleges and incorporates by reference all preceding allegations as though fully set forth herein.

187. California Labor Code § 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years.

188. At all times herein set forth, California Labor Code § 1174.5 has imposed a civil penalty of \$500 per aggrieved employee for each willful failure “to maintain . . . accurate and complete records required by subdivision (d) of Section 1174[.]”

189. THREE has intentionally and willfully failed to keep accurate and complete payroll records showing the hours worked daily and the wages paid to Plaintiff. For example, any records kept by THREE did not include the hours worked off-the-clock, the premium wages owed, and for missed and non-compliant meal and rest breaks.

191. Plaintiff realleges and incorporates by reference all preceding allegations as though
fully set forth herein.

192. At all relevant times herein set forth, California Labor Code § 226(a) provides that, at the time of each payment of wages, the employer must provide each employee with an itemized statement showing gross wages earned, total hours worked, all deductions taken, net wages earned, the inclusive dates for which the employee is being paid, the employee's name and last four digits of their social security number, the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and all hours worked at each rate.

193. California Labor Code § 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Orders. Section 1198 further provides that “[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period.

194. At all times herein set forth, California Labor Code § 226.3 has imposed a civil penalty in addition to any other penalty provided by law of two hundred fifty dollars (\$250) per aggrieved employee for the first violation of § 226(a), and one thousand dollars (\$1,000) per aggrieved employee for each subsequent violation.

195. As alleged herein, THREE knowingly and willfully failed to provide Plaintiff and the Class with proper, itemized wage statements. Wage statements provided to Plaintiff and the Class did not show total/actual hours worked and all applicable hourly rates in effect during the pay period

and all hours worked at each rate. The wage statements provided to Plaintiff and the Class failed to reflect all time spent in training, making and responding to social media posts, making business expenditures by stocking their own THREE inventory, and communicating with other Ambassadors about policies, practices, and sales instructions and guidance. THREE's refusal to properly record this time, and to include it in its itemized wage statements, or to properly pay its employees for this time was willful and intentional. As a result of these violations, Plaintiff and the Class suffered injury because they were not paid for all hours worked.

196. California Labor Code § 558.1 states that any employer or person acting on behalf of an employer who causes a violation is liable, among other things, for wage statement violations. *See* Cal. Lab. Code § 558.1. THREE has failed to provide Plaintiff and the Class accurate wage statements and THREE is liable for causing this violation under § 558.1.

197. Pursuant to California Labor Code § 226(e), Plaintiff and the Class are entitled to a penalty in the amount of fifty dollars (\$50) for the initial pay period in which a violation occurred, and a penalty of one-hundred dollars (\$100) for each violation in a subsequent pay period, up to an aggregate penalty of four-thousand dollars (\$4,000), as well as costs of suit and attorneys' fees, all in an amount according to proof.

SEVENTH CAUSE OF ACTION

(Failure to Reimburse Business Expenses)

Cal. Lab. Code §§ 450, 558.1, 2802; IWC Wage Order 4-2001

Against iii International, LLC; Daniel Picou; Troy Mohr; Eric Barkle; Anne Larson; Janea Janke; Kim Hui; and Doe Defendants 1–50, inclusive

198. Plaintiff realleges and incorporates by reference all preceding allegations as though fully set forth herein.

199. At all times herein set forth, California Labor Code § 2802 has provided and provides that an employer must reimburse employees for all necessary expenditures and losses incurred by the employee in the performance of their job. The purpose of § 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order 4-2001, paragraph 9(B) provides that: "When tools or equipment are required by

the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.” THREE’s conduct, in misclassifying their Ambassadors as independent contractors and failing to reimburse them for expenses Ambassadors paid that should have been borne by their employer, constitutes a violation of California Labor Code §§ 450 and 2802.

200. THREE violates California Labor Code § 2802 by having failed, and failing, to reimburse Plaintiff and the Class for their business-related expenses. These include fees paid to attend mandatory yearly conferences, monthly purchases of inventory to maintain Plaintiff’s status as an Ambassador, as well as other business expenses, as set forth *supra* § IV.B, which THREE did not reimburse. And during the relevant period, THREE required that Plaintiff and the Class use their own personal cellular phones and/or cellular phone data to carry out THREE’s business operations, but failed to reimburse them for the full costs of their work-related cellular phone expenses. For example, Plaintiff and the Class were required to use a personal cellular phone to make social media posts and communicate with customers and their upline. Plaintiff and the Class also incurred expenses associated with maintaining a home internet connection. THREE did not reimburse Ambassadors for these expenses.

201. THREE’s company-wide policy and/or practice of passing on their operating costs to Plaintiff and the Class violates California Labor Code § 2802. At all times described herein, THREE has acted willfully, and deliberately with oppression, fraud and malice to unlawfully deprive their employees of the employees’ own personal resources in furtherance of THREE’s profits.

202. California Labor Code § 558.1 states that any employer or person acting on behalf of an employer who causes a violation is liable, among other things, for failure to reimburse business expenses. *See* Cal. Lab. Code § 558.1. Defendants iii INTERNATIONAL, LLC; DANIEL PICOU; TROY MOHR; ERIC BARKLE; ANNE LARSON; JANEA JANKE; KIM HUI; AND DOE DEFENDANTS 1–50, inclusive, failed to reimburse business expenses to Plaintiff and the Class and all Defendants are liable for causing this violation under § 558.1.

203. As a result of THREE's failure to reimburse Plaintiff and the Class for all business-related expenses, pursuant to California Labor Code § 2802, Plaintiff and the Class are entitled to recover unreimbursed business expenses, plus attorneys' fees and costs, in an amount according to proof.

EIGHTH CAUSE OF ACTION

**(Unfair Competition)
Bus. & Prof. Code § 17200 *et seq.***

Against iii International, LLC

204. Plaintiff realleges and incorporates by reference all preceding allegations as though fully set forth herein.

205. From a date unknown to Plaintiff and continuing to the present, THREE has and continues to engage in business acts or practices that constitute unfair competition as defined in the Unfair Competition Law, Business and Professions Code § 17200 *et seq.*, in that such business acts and practices are unlawful and unfair within the meaning of that statute.

"Unlawful" Prong

206. THREE has violated section 17200's prohibition on unlawful conduct through the following violations:

- a) Failing to pay minimum wages, as set forth in the First Cause of Action;
- b) Failing to pay overtime wages, as set forth in the Second Cause of Action;
- c) Failing to timely pay wages during employment, as set forth in the Third Cause of Action;
- d) Failing to timely pay all earned and unpaid wages upon separation of employment, as set forth in the Fourth Cause of Action;
- e) Failing to keep requisite payroll records, as set forth in the Fifth Cause of Action;
- f) Failing to provide timely and accurate wage statements, as set forth in the Sixth Cause of Action; and
- g) Failing to reimburse business expenses, as set forth in the Seventh Cause of Action.

208. THREE has violated California Business and Professions Code § 17200's prohibition on unfair conduct by engaging in each of the forgoing unlawful acts.

209. Furthermore, as set forth *supra* § IV.D, THREE has violated § 17200's prohibition on unfair conduct by unfairly and unconscionably structuring its Agreement and Policies and business activities in a way that does not create meaningful opportunities for Ambassadors earn a fair wage and/or commission for their work. THREE used its superior bargaining power, superior market power, and take-it-or-leave-it Agreement and Policies to prevent Ambassadors from exercising discretion and accessing tools and resources needed to market the products effectively and competitively to generate profits. And THREE further undermined Ambassadors' ability to earn compensation by engaging in activities in competition with other Ambassadors, by for example, maintaining the exclusive right to disseminate online advertising to any customer sales leads generated by the Ambassadors. By denying Ambassadors meaningful opportunities to earn fair commission, THREE also unfairly incentivized Ambassadors to divert time and attention away from marketing the sale of products to retail customers to marketing the opportunity to become an Ambassador to unsuspecting members of the California public. So long as Defendants continue these unfair practices, the California public remains at risk for being recruited into THREE and similarly harmed.

210. THREE's unfair acts were in contravention of public policy. California public policy encourages the proper classification of workers to ensure that workers are fairly compensated and provided the full benefits and protections of employment, competitors are operating in a fair and honest marketplace, and the state is not deprived of tax revenue.

211. THREE's unfair acts were immoral, unethical, oppressive, unscrupulous, and substantially injurious to the Class and general public. THREE knowingly and willfully classified the Ambassadors as independent contractors. And it knowingly and willfully structured an unfair and unconscionable Agreement and Policies that did not provide for meaningful opportunities to

1 earn compensation, while engaging in business activities that would further frustrate Ambassador's
2 efforts to earn compensation.

3 212. The impact on the Class and general public is not outweighed by any countervailing
4 benefits. To the extent any benefits inured to Plaintiff, the Class, and the general public, those
5 benefits are outweighed by the impact of Defendants' unfair acts. Ambassadors, including Plaintiff,
6 incurred substantial costs in working as Ambassadors, and were not paid appropriately and fairly
7 for their time and efforts. They could have chosen other opportunities or invested that time and
8 money into other legitimate and fairly paying endeavors.

9 213. As a result of THREE's unfair competition as alleged herein, Plaintiff and the Class
10 have suffered injury in fact and lost money or property, as described in more detail above. Pursuant
11 to California Business and Professions Code § 17200, *et seq.*, Plaintiff and the Class are entitled to
12 restitution of all wages and other monies rightfully belonging to them that THREE failed to pay and
13 wrongfully retained by means of its unlawful and unfair business practices, and and/or all other
14 equitable remedies that may be available.

15 214. To prevent THREE from continuing to prey on the California public through their
16 misclassification of their Ambassadors, and recruitment of new Ambassadors under these false
17 pretenses, Plaintiff and the Class also seek a public injunction against Defendants enjoining THREE,
18 and any and all persons acting in concert with them, from engaging in each of the California Labor
19 Code violations set forth herein and from recruiting new Ambassadors or authorizing others to
20 recruit new Ambassadors, under a misclassified status, including making representations about that
21 status and the commission-based compensation structure.

22 **NINTH CAUSE OF ACTION**
23 **(UNRUH Civil Rights Act)**
24 **Cal. Civ. Code § 51**

25 ***Against iii International, LLC; Daniel Picou; Troy Mohr; Eric Barkle; Anne Larson; Janea***
26 ***Janke; Kim Hui; and Doe Defendants 1–50, inclusive***

27 215. Plaintiff realleges and incorporates by reference all preceding allegations as though
28 fully set forth herein.

///

1 216. The Unruh Civil Rights Act provides that “All persons within the jurisdiction of this
2 state are free and equal, and no matter what their sex, race, color, religion, ancestry, national origin,
3 disability, medical condition, genetic information, marital status, sexual orientation, citizenship,
4 primary language, or immigration status are entitled to the full and equal accommodations,
5 advantages, facilities, privileges, or services in all business establishments of every kind
6 whatsoever.” Civ. Code § 51(b).

7 217. THREE is a “business establishment” within the meaning of Civil Code § 51(b).

8 218. THREE’s employment of Brand Ambassadors is an accommodation, advantage,
9 privilege and/or service within the meaning of those terms in Civil Code § 51(b).

10 219. THREE’s acts, policies, and practices in advertising, soliciting and recruiting of
11 Ambassadors are intentionally discriminatory on the basis of race, color, ancestry, national origin,
12 immigrant status, and primary language, and violate Civil Code § 51(b).

13 220. Namely, THREE has, *inter alia*, targeted individuals of Chinese heritage to join
14 THREE as Ambassadors in order to encourage them to market, sell, engage and otherwise solicit
15 customers via inferior means.

16 221. Specifically, THREE maintains policies to encourage only Ambassadors of Chinese
17 heritage to sell and deliver THREE products to Chinese nationals, and recruit mainland Chinese
18 Brand Ambassadors asking only these Ambassadors to engage in riskier, more time intensive and
19 more challenging work without explaining to them the implications of foreign regulatory and tax
20 laws. As a result, earning commissions is also more difficult for these Brand Ambassadors.

21 222. Plaintiffs and Class Members are entitled to actual damages according to proof, and
22 up to three times actual damages, but not less than \$4,000 for each and every offense, under Civil
23 Code § 52(a).

24 ///

25 ///

26 ///

27 ///

28 ///

TENTH CAUSE OF ACTION
(Violation of Private Attorneys General Act)
Cal. Lab. Code §§ 2698-2699.8

Against iii International, LLC; Daniel Picou; Troy Mohr; Eric Barkle; Anne Larson; Janea Janke; Kim Hui; and Doe Defendants 1–50, inclusive

223. Plaintiff realleges and incorporates by reference all preceding allegations as though fully set forth herein.

224. PAGA establishes that, notwithstanding any other provision of law, any provision of the California Labor Code which provides for a civil penalty to be assessed and collected by the LWDA, or any of its departments, divisions, commissions, boards, agencies or employees for a violation of the California Labor Code, may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself, and other current or former employees.

225. Whenever the LWDA, or any of its departments, divisions, commissions, boards, agencies, or employees has discretion to assess a civil penalty, a court in a civil action is authorized to exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

226. Plaintiff and the other Ambassador employees are “aggrieved employees” as defined by California Labor Code § 2699(c) in that they are all current or former employees of Defendants, and one or more of the alleged violations were committed against them.

227. Defendants’ conduct, as alleged herein, violates numerous sections of the California Labor Code, including, but not limited to, the following:

- a) Failing to pay minimum wages, as set forth in the First Cause of Action;
- b) Failing to pay overtime wages, as set forth in the Second Cause of Action;
- c) Failing to timely pay wages during employment, as set forth in the Third Cause of Action;
- d) Failing to timely pay all earned and unpaid wages upon separation of employment, as set forth in the Fourth Cause of Action;
- e) Failing to keep requisite payroll records, as set forth in the Fifth Cause of Action;

- f) Failing to provide timely and accurate wage statements, as set forth in the Sixth Cause of Action;
- g) Failing to reimburse business expenses, as set forth in the Seventh Cause of Action; and
- h) Willfully misclassifying Ambassadors as independent contractors, in violation of California Labor Code §§ 226.8 and 2775.

228. Pursuant to PAGA, and in particular California Labor Code §§ 2699(a), 2699.3, and 2699.5, Plaintiff, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for Plaintiff, all other aggrieved employees, and the State of California against Defendants, in fixed amounts for each aggrieved employee for every pay period in which there was a violation, per § 2699(f), in addition to other remedies, for violations of Labor Code sections set forth herein.

229. Pursuant to California Labor Code § 2699(i), civil penalties recovered by aggrieved employees shall be distributed as follows: seventy-five percent (75%) to the LWDA for the enforcement of labor laws and education of employers and employees about their rights and responsibilities and twenty-five (25%) to the aggrieved employees.

230. Further, and as authorized by the California Labor Code § 2699(g), Plaintiff seeks recovery of his attorneys' fees and costs.

VIII. PRAYER FOR RELIEF

WHEREFORE Plaintiff and the Class pray for judgment and relief as follows:

- (1) An order certifying that this action may be maintained as a class action, that Plaintiff be appointed Class Representative, and that Plaintiff's counsel be appointed Class Counsel;
- (2) Statutory penalties and compensatory damages as authorized under the California Labor Code;
- (3) Civil penalties pursuant to California's Private Attorneys General Act;
- (4) Restitution and all other equitable remedies pursuant to California's Unfair Competition Law;
- (5) Public Injunctive relief, pursuant to California's Unfair Competition Law, prohibiting THREE, its officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, whether acting directly

or indirectly, in connection with the management, hiring, or coordination of Brand Ambassadors, or the advertising, promotion, or recruitment of new Brand Ambassadors, from:

- a. Engaging in the California Labor Code violations as alleged herein, including classifying Brand Ambassadors as non-employees or independent contractors;
 - b. Recruiting new Brand Ambassadors or authorizing others to recruit new Brand Ambassadors, under a misclassified status, including making representations about that status and the commission-based compensation structure.
- (6) Punitive damages against the individual officer, director or managing agent Defendants pursuant to Cal. Civil Code § 3294;
 - (7) Reasonable attorneys' fees pursuant to the California Labor Code, including §§ 226(e), 2699(g), and Code of Civil Procedure § 1021.5;
 - (8) Costs of this suit per California Labor Code § 2699(g);
 - (9) Pre- and post-judgment interest pursuant to Labor Code section 218.6; and
 - (10) Such other and further relief as the Court may deem just and proper.

IX. DEMAND FOR TRIAL BY JURY

Plaintiff and the Class hereby demand trial by jury on all issues in this complaint that are so triable as a matter of right.

DATED: March 6, 2026

CLARKSON LAW FIRM, P.C.

By: /s/ Kristen G. Simplicio
Kristen G. Simplicio
Glenn A. Danas

Attorneys for Plaintiff and Putative Class

Exhibit A

BRAND AMBASSADOR AGREEMENT

Authorization and Contract

By executing the iii.international Brand Ambassador Agreement (“Agreement”), you apply for legal authorization to become a iii.international business owner and enter into contract with iii.international, LLC, hereinafter “iii.” You acknowledge that prior to signing you have received, read, and understood the iii Policies and Procedures, which are incorporated into this Agreement and made part of it as if restated in full, as posted on threeinternational.com and that you have read and agree to all terms set forth in this Agreement. iii reserves the right to reject any application for any reason within thirty (30) days of receipt.

Expiration, Renewal, and Termination

The term of this Agreement is one year (subject to prior cancellation or disqualification as provided in the Policies and Procedures). If you fail to annually renew your iii business, or if it is canceled or terminated for any reason, you understand that you will permanently lose all rights as a Brand Ambassador.

You shall not be eligible to sell iii products and services, nor shall you be eligible to receive royalties, bonuses, or other income resulting from the activities of your former downline sales organization. In the event of cancellation, termination, or nonrenewal, you waive all rights you have, including, but not limited to, property rights, rights to your former downline organization and to any bonuses, commissions, or other remuneration derived through the sales and other activities of your former downline organization. iii reserves the right to terminate all Brand Ambassador Agreements upon thirty (30) days’ notice if the Company elects to: (1) cease business operations; (2) dissolve as a business entity; or (3) terminate distribution of its products and/or services via direct selling channels. Brand Ambassador may cancel this Agreement at any time, and for any reason, upon written notice to iii at its principal business address. iii may cancel this Agreement for any reason upon thirty (30) days’ advance written notice to Brand Ambassador. iii may also take actions short of termination of the Agreement, if the iii Brand Ambassador breaches any of its provisions.

Independent Contractor Status

You agree this authorization does not make you an employee, agent, or legal representative of iii or your Sponsoring Brand Ambassador. As a self-employed independent contractor, you will be operating your own independent business, buying, and selling products available through iii on your own account. You have complete freedom in determining the number of hours that you will devote to your business, and you have the sole discretion of scheduling such hours. For Brand Ambassadors registered in the United States, you will receive IRS Form 1099-MISC... reflecting the amount of income paid to you during the calendar year. By agreeing to these terms, you agree to receive the 1099-MISC form electronically. It will be your sole responsibility to account for such income on your individual income tax returns.

Refunds and Product Returns

The following outlines our Product Satisfaction Guarantee*

Product may be returned within 30 days after the original date of purchase (order date) for a 90% refund of the purchase price (10% restocking fee). If you reside outside of the United States, please refer to the specific refund policy for your market. Refunds shall be subject to the applicable laws and regulations provisions in respective countries.

* Shipping costs associated with returning product are the responsibility of the customer/Brand Ambassador returning the product. Any commissions and bonuses earned on the returned products will be deducted from the refund amount on all return transactions. Returned product may impact bonuses and commissions paid to the upline/sponsor. Brand Ambassador must be in good standing.

Presenting the Plan

You agree when presenting the iii Compensation Plan to present it in its entirety as outlined in official iii materials, emphasizing that sales to end consumers are required to receive compensation in the form of bonuses on downline volume. In presenting the plan to prospects, you agree not to utilize any literature, materials, or aids not produced or specifically authorized in writing by iii.

Selling Product

You agree to make no representations or claims about any products beyond those shown on product labels and/or in official iii literature. No Brand Ambassador may make any claim that iii products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases/illnesses, or the symptoms of any diseases/illnesses.. Such statements can be perceived as medical or drug claims. You further agree to sell products available through iii only in authorized territories.

III's Proprietary Information and Trade Secrets

You recognize and agree that, as further set forth in the Policies and Procedures, information compiled by or maintained by iii, including Line of Sponsorship (LOS) information (i.e., information that discloses or relates to all or part of the specific arrangement of sponsorship within the iii business including, without limitation, Brand Ambassador lists, sponsorship trees, and all iii Brand Ambassador information generated therefrom, in its present or future forms), constitutes a commercially advantageous, unique and proprietary trade secret of iii, which it keeps as proprietary and confidential and treats as a trade secret. During the term of your contract with iii, iii grants you a personal, non-exclusive, non-transferable, and revocable right to use trade secret, confidential, and proprietary business information (Proprietary Information), which includes, without limitation, LOS information, business reports, manufacturing and product developments, and Brand Ambassador sales, earnings, and other financial reports to facilitate your iii business.

Non-Competition Agreement

In accordance with the Policies and Procedures, you agree that during the period while you are a Brand Ambassador, and for six (6) months following resignation, non-renewal, or termination of your business, you will not compete with iii.

This covenant shall survive the expiration or termination of your authorization and contract with iii.

Non-Solicitation Agreement

In accordance with the Policies and Procedures, you agree that during the period while you are a Brand Ambassador, and for one (1) calendar year following resignation, non-renewal, or termination of your business, you will not encourage, solicit, or otherwise attempt to recruit or persuade any other iii Brand Ambassador to compete with the business of iii.

No Violation of Previous Agreement

You agree that you are not currently in material breach of and will not during the term of this Agreement be in material breach of, any other contract, obligation, or covenant that would affect your ability to perform hereunder, and as a result of entering into this Agreement, will not materially breach any contract, obligation, or covenant (such as a covenant not to compete located in a prior agreement).

Images / Recordings / Consents

You agree to permit iii to obtain photographs, videos, and other recorded media of you or your likeness. You acknowledge and agree to allow any such recorded media to be used by iii for any lawful purpose, and without compensation.

Modification of Terms

With the exception of the dispute resolution section in Policies and Procedures, which can only be modified by way of mutual consent, the terms of this Agreement may be modified as specified in Rule 1 in the Policies and Procedures.

Jurisdiction and Governing Law

The formation, construction, interpretation, and enforceability of your contract with iii as set forth in this Brand Ambassador Agreement and any incorporated documents shall be governed by and interpreted in all respects under the laws of the State of Utah without regard to conflict of law provisions. Louisiana residents: notwithstanding the foregoing, Louisiana residents may bring an action against iii, LLC with jurisdiction and venue as provided by Louisiana law.

Dispute Resolution

All disputes and claims relating to iii, its products and services, the rights and obligations of a Brand Ambassador and iii, or any other claims or causes of action relating to the performance of either a Brand Ambassador or iii under the Agreement or the iii Policies and Procedures shall be settled totally and finally by arbitration as enumerated in the Policies and Procedures in Lehi, Utah, or such other location as iii prescribes, in accordance with the Federal Arbitration Act and the Commercial Arbitration Rules of the American Arbitration Association, except that all

parties shall be entitled to discovery rights allowed under the Federal Rules of Civil Procedure. Additionally, you agree not to initiate or participate in any class action proceeding against iii, whether in a judicial or mediation or arbitration proceeding, and you waive all rights to become a member of any certified class in any lawsuit or proceeding. This agreement to arbitrate shall survive any termination or expiration of the Agreement. Nothing in the Agreement shall prevent iii from applying to and obtaining from any court having jurisdiction a writ of attachment, garnishment, temporary injunction, preliminary injunction, permanent injunction, or other equitable relief available to safeguard and protect its interest prior to, during or following the filing of any arbitration or other proceeding or pending the rendition of a decision or award in connection with any arbitration or other proceeding.

Time Limitation

If a Brand ambassador wishes to bring an action against iii for any act or omission relating to or arising from the Agreement, such action must be brought within one (1) year from the date of the alleged conduct giving rise to the cause of action. Brand Ambassador waives all claims that any other statutes of limitations apply.

Miscellaneous

If any provision of the Agreement is held to be invalid or unenforceable, such provision shall be reformed only to the extent necessary to make it enforceable and the balance of the Agreement will remain in full force and effect. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument. The provisions of this Agreement, including all documents incorporated herein by reference, embody the whole agreement between you and iii and supersedes any prior agreements, understandings, and obligations between you and iii concerning the subject matter of your contract with iii.

Notice of Right to Cancel

You may request a refund on your enrollment fee if it's done within seven (7) business days from the date of enrollment. If you cancel, any enrollment fees paid will be returned within TEN (10) BUSINESS DAYS following receipt by the seller of your cancellation notice. To cancel this transaction, contact Brand Ambassador Support by phone at 1-888-847-3380 or by email support@threeinternational.com no later than midnight of the seventh business day following the date of this Agreement.

Exhibit B

POLICIES AND PROCEDURES

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1.0 INTRODUCTION

1.1 Mutual Commitment Statement

iii International, LLC (hereafter as “iii” and the “Company”) recognizes that to develop a long-term and mutually rewarding relationship with its salesforce (“Brand Ambassador”) and Customers, Company and its Brand Ambassador must acknowledge and respect the true nature of the relationship and support the Customers.

A. In the spirit of mutual respect and understanding, Company is committed to:

- I. Providing prompt, professional, and courteous service and communications to all of its Brand Ambassador and Customers;
- II. Providing the highest level of quality products at fair and reasonable prices;
- III. Exchanging or refunding the purchase price of any product, service, or membership as provided in our Return Policy.
- IV. Delivering orders promptly and accurately;
- V. Paying commissions correctly and on a timely basis;
- VI. Expediting orders or checks if an error or unreasonable delay occurs;
- VII. Rolling out new products and programs with Brand Ambassador input and planning;
- VIII. Implementing changes in the Rewards Plan or Policies and Procedures that affect the Brand Ambassador with information from the Brand Ambassador;
- IX. Supporting, protecting, and defending the integrity of the iii Business Opportunity;
- X. Offering Brand Ambassador an opportunity to grow with iii with such growth guided by the principles of Servant Leadership.

B. In return, iii expects that its Brand Ambassador will:

- I. Conduct themselves in a professional, honest, and considerate manner;
- II. Present iii Corporate and product information accurately and professionally;
- III. Present the Rewards Plan and Return Policy entirely and accurately;
- IV. Not make exaggerated income claims;
- V. Make reasonable effort(s) to support and train Brand Ambassador and Customers in their downline;
- VI. Not engage in crossline recruiting, unhealthy competition, or unethical business practices;
- VII. Provide positive guidance and training to Brand Ambassador and Customers in their downline while exercising caution to avoid interference with other downlines. As such, a Brand Ambassador is discouraged from providing crossline training to a Brand Ambassador or Customer in a different organization without first obtaining the consent of the Brand Ambassador's or Customer's upline leader;
- VIII. Support, protect, and defend the integrity of the iii Business Opportunity;
- IX. Accurately complete and submit the Brand Ambassador Agreement and any requested supporting documentation promptly.

1.2 **iii Policies and Rewards Plan Incorporated into the Brand Ambassador Agreement**

A. Throughout these Policies, when the term “Agreement” is used, it collectively refers to the iii Agreement, these Policies and Procedures, and the iii Rewards Plan.

B. It is the responsibility of the Sponsoring Brand Ambassador to provide the most current version of these Policies and Procedures (available on the iii website, www.iii.earth) and the iii Rewards Plan to each applicant before his, her and its execution of a Brand Ambassador Agreement.

1.3 **Purpose of Policies**

A. iii is a direct sales company that markets products and services through a network of sales representatives. To clearly define the relationship that exists between Brand Ambassador and iii, and to explicitly set a standard for acceptable business conduct, iii has established these Policies and Procedures.

B. iii Brand Ambassador are required to comply with: (i) all of the Terms and Conditions outlined in the Brand Ambassador Agreement, which iii may amend from time to time in its sole discretion without prior notification to any Brand Ambassador; (ii) all federal, state, and local laws governing his, her and its iii business; and (iii) these Policies and Procedures.

C. iii Brand Ambassador must review the information in these Policies and Procedures carefully and regularly. Should a Brand Ambassador have any questions regarding a policy or rule, the Brand Ambassador is encouraged to seek an answer from their Sponsor or any other upline Brand Ambassador. If further clarification is needed, the Brand Ambassador may contact **iii International Compliance Department**.

1.4 **Changes, Amendments, and Modifications**

A. Because federal, state, and local laws, as well as the business environment, periodically change, **iii International** reserves the right to amend the Agreement (**iii International Agreement**, these Policies and Procedures, and the **iii International Rewards Plan**) and the prices in its **iii International Product Price List** in its sole and absolute discretion and without prior notice.

B. **iii International** will post current Policies and Procedures, pricing, and other documents on the website and in the back office, so all Brand Ambassador have access to current Policies, information, and materials. **This provision does NOT apply to the arbitration clause found in Section 13, which can only be modified via mutual consent.**

C. Any such amendment, change, or modification shall be effective immediately.

1.5 **Delays**

iii International shall not be responsible for delays or failures in performance of its obligations when such failure is due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, transportation difficulties, riot, war, fire, and weather, curtailment of a source of supply, or government decrees or orders.

1.6 Effective Date

These Policies and Procedures shall become effective when posted and, at such time, shall automatically supersede any prior Policies and Procedures (the “old Policies and Procedures”), and, on that date, the old Policies and Procedures shall cease to have any force or effect.

2.0 BASIC PRINCIPLES

2.1 Becoming a **iii International** Brand Ambassador

A. To become a Brand Ambassador, an applicant must comply with the following requirements:

- I. Be of the age of majority (not a minor) in his or her state of residence;
- II. Have a valid taxpayer identification number (i.e., Social Security Number, Federal Tax ID Number, etc., for U.S. citizens only);
- III. Submit a properly completed and signed Brand Ambassador Agreement to **iii International**;
- IV. Not be a **iii International** employee, the spouse of a **iii International** employee, or related to an employee of **iii International** and living in the same household as such **iii International** employee.

2.2 New Brand Ambassador Registration

A. A potential new Brand Ambassador may self-enroll on the Sponsor’s website. In such an event, instead of a physically signed Brand Ambassador Agreement, **iii International** will accept the web-enrollment and Brand Ambassador Agreement by accepting the “electronic signature,” stating the new Brand Ambassador has accepted the Terms and Conditions of such Brand Ambassador Agreement. Please note that such an electronic signature constitutes a legally binding agreement between the Brand Ambassador and **iii International**.

B. **iii International** reserves the right to require signed paperwork for any account, regardless of origin.

C. If requested, the signed Brand Ambassador Agreement must be received by **iii International** within fourteen (14) days of **iii International**’s request.

D. Signed documents, including, but not limited to, Brand Ambassador personal agreements, are legally binding contracts which must not be altered, tampered with or changed in any manner after they have been signed. False or misleading information, forged signatures, or alterations to any document, including business registration forms, made after a document has been approved, may lead to sanctions, up to and including involuntary termination of the Brand Ambassador’s Brand Ambassadorship.

2.3 Rights Granted

iii International hereby grants to the Brand Ambassador a non-exclusive right, based upon the Terms and Conditions contained in the Brand Ambassador Agreement and these Policies and Procedures, to:

- I. Purchase **iii International** products and services;
- II. Promote and sell **iii International** products and services;
- III. Sponsor new Brand Ambassador and Customers in the United States and in countries where **iii International** becomes established after the effective date of these Policies and Procedures.

2.4 Identification Numbers

A. Each Brand Ambassador is required to provide his or her Social Security Number, or Federal Tax Identification Number, if located in the United States or any of its territories, to **iii International** on the Brand Ambassador Agreement. **iii International** reserves the right to withhold commission payments from any Brand Ambassador who fails to provide such information or who provides false information.

B. Upon enrollment, **iii International** will provide a **iii International** Identification Number to the Brand Ambassador. This number will be used to place orders, structure organizations, and track commissions and bonuses.

2.5 Renewals and Expiration of the Brand Ambassador Agreement

A. Brand Ambassador must renew their Brand Ambassador Agreement each year by paying an annual renewal (\$2995) on or before the anniversary date of their Brand Ambassador Agreement. If renewal is not made within thirty (30) days after the expiration of the current term of the Brand Ambassador Agreement, the Brand Ambassador Agreement will be terminated. The Automatic Renewal Program (ARP) may be utilized to avoid any delay.

B. If the Brand Ambassador allows his or her Brand Ambassador Agreement to expire due to nonpayment, the Brand Ambassador will lose any rights to his or her downline organization unless the Brand Ambassador re-activates within sixty (60) days following the expiration of the Agreement.

C. If the former Brand Ambassador re-activates within the 60-day time limit, the Brand Ambassador will resume the rank and position held immediately before the expiration of the Brand Ambassador Agreement. However, such Brand Ambassador's paid as level will not be restored unless he, she, or an entity qualify at that payout level in the new month. The Brand Ambassador is not eligible to receive commissions for the period that the Brand Ambassador's Brand Ambassadorship was expired.

D. Any Brand Ambassador who was terminated, or whose Agreement has expired and lapsed the 60-day grace period, is not eligible to reapply for a **iii International** business for six (6) months following the expiration of the Brand Ambassador Agreement.

2.6 Business Entities

A. A corporation, Ambassadorship, LLC, or trust (collectively referred to as a “Business Entity”) may apply to be a **iii International** Brand Ambassador. This Brand Ambassador business and position will remain temporary until the proper documents are submitted. The Business Entity must provide one of the following documents:

- I. Certificate of Incorporation;
- II. Articles of Organization;
- III. Ambassadorship Agreement, or appropriate Trust documents.

iii International must receive these documents within fourteen (14) days from the date the Brand Ambassador Agreement was signed.

2.7 Independent Business Relationship; Indemnification for Actions

A. The **iii International** Brand Ambassador is an independent contractor and not a purchaser of a franchise or business opportunity. Therefore, each Brand Ambassador's success depends on his or her independent efforts.

B. The Agreement between **iii International** and its Brand Ambassador does not create an employer/employee relationship, agency, Ambassadorship, or joint venture between **iii International** and the Brand Ambassador.

C. A **iii International** Brand Ambassador shall not be treated as an employee of **iii International** for any purposes, including, without limitation, for federal or state tax purposes. All Brand Ambassador are responsible for paying local, state, and federal taxes due from all compensation earned as a Brand Ambassador of **iii International**. Any other compensation received by Brand Ambassador from **iii International** will be governed by applicable U.S. tax laws (or the tax laws of any other relevant jurisdiction). The Brand Ambassador has no express or implied authority to bind **iii International** to any obligation or to make any commitments by or on behalf of **iii International**. Each Brand Ambassador, whether acting as management of a Business Entity or represented as an individual, shall establish his or her own goals, hours, and methods of operation and sale, so long as he or she complies with the Terms of the Brand Ambassador Agreement, these Policies, and Procedures and applicable State, Federal and Provincial laws.

D. The **iii International** Brand Ambassador is fully responsible for all of his or her verbal and written communications made regarding **iii International** products, services, and the Rewards Plan that are not expressly contained within official **iii International** materials. Brand Ambassador shall indemnify and hold harmless **iii International**, its directors, officers, employees, product suppliers, and agents from any and against all liability including judgments, civil penalties, refunds, attorney fees and court costs incurred by **iii International** as a result of the Brand Ambassador's unauthorized representations or actions. This provision shall survive the termination of the **iii International** Brand Ambassador Agreement.

2.8 Insurance

Business Pursuits Coverage-**iii International** encourages Brand Ambassador to arrange insurance coverage for their business. A homeowner's insurance policy does not cover business-related injuries, or the theft of, or damage to, inventory or business equipment. **iii International** Brand Ambassador need to contact their insurance agent to make sure their business property is protected. In most instances, this may be accomplished with a “Business Pursuit” endorsement to an existing homeowner's Policy.

2.9 Errors or Questions

If a Brand Ambassador has questions about or believes any errors have been made regarding commissions, bonuses, business reports, orders, or charges, the Brand Ambassador must notify **iii International** in writing within thirty (30) days of the date of the error or incident in question. Any such errors, omissions or problems not reported within 30 days shall be deemed waived by the Brand Ambassador.

3.0 **iii International BRAND AMBASSADOR RESPONSIBILITIES**

3.1 Correct Addresses

A. It is the responsibility of the Brand Ambassador or Customer to make sure **iii International** has the correct shipping address before any orders are shipped.

B. A Brand Ambassador or Customer will need to allow up to thirty (30) days for processing after the notice of address change has been received by **iii International**.

C. A Brand Ambassador or Customer may be assessed a \$20 fee for returned shipments due to an incorrect shipping address.

3.2 Training and Leadership

A. Any **iii International** Brand Ambassador who Sponsors another Brand Ambassador into **iii International** must perform an authentic assistance and training function to ensure his or her downline is properly operating his or her **iii International** business. Sponsoring Brand Ambassador should have ongoing contact and communication with the Brand Ambassador in their downline organizations. Examples of communication may include but are not limited to, newsletters, written correspondence, telephone, contact, team calls, voicemail, email, personal meetings, the accompaniment of downline Brand Ambassador to **iii International** meetings, training sessions, and any other related functions.

B. A Sponsoring **iii International** Brand Ambassador should monitor the Brand Ambassador in his or her downline organizations to ensure that downline Brand Ambassador do not make improper product or business claims or engage in any illegal or inappropriate conduct. Upon request, such Brand Ambassador should be able to provide documented evidence to **iii International** of his or her ongoing fulfillment of the responsibilities of a Sponsor. Should the Sponsoring Brand Ambassador fail to provide evidence of ongoing assistance to a downline Brand Ambassador, **iii International** reserves the right to reassign such downline Brand Ambassador to a new sponsor as the Company sees fit.

C. Upline Brand Ambassador are encouraged to motivate and train new Brand Ambassador about **iii International's** products and services, effective sales techniques, the **iii International** Rewards Plan, and compliance with company Policies and Procedures.

D. Marketing product is a required activity in **iii International** and must be emphasized in all recruiting presentations.

E. We emphasize and encourage all Brand Ambassador to sell **iii International** products and services to Customers.

F. If you become aware that a Brand Ambassador in your downline is violating **iii International's** Policies and Procedures, either willfully or due to ignorance, you shall make every effort to educate, inform, and bring them back into compliance.

G. Use of Sales Aids. To promote both the products and the opportunity **iii International** offers, Brand Ambassador must use the sales aids and support materials produced by **iii International**. If **iii International** Brand Ambassador develop their own sales aids and promotional materials, which includes Internet advertising, notwithstanding Brand Ambassador' good intentions, they may unintentionally violate any number of statutes or regulations affecting the **iii International** business. These violations, although they may be relatively few in numbers, could jeopardize the **iii International** opportunity for all Brand Ambassador. Accordingly, Brand Ambassador must submit all written sales aids, promotional materials, advertisements, websites, and other literature to the Company for the Company's approval before use.

H. Brand Ambassador shall safeguard and promote the good reputation of **iii International** and its products. The marketing and promotion of **iii International**, the **iii International** opportunity, the Rewards Plan, and **iii International** products and services shall be consistent with the public interest and avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices. Any Brand Ambassador who engages in unethical business building practices is subject to disciplinary action by **iii International**, including commission fines and involuntary account termination.

I. Throughout the term of the Brand Ambassador Agreement, Brand Ambassador, may not sell any training materials, sales aids, or tools (videos, mobile applications, eBooks, etc.) to his or her Downline or other Brand Ambassador. If you elect to rent a meeting room to conduct a training seminar, you might charge an attendance fee to cover venue expenses. Any training events organized by Brand Ambassador must not be operated on a for-profit basis. You may not charge for profit fee for any marketing materials, newsletters, training about **iii International**.

3.3 Constructive Criticism; Ethics

A. **iii International** desires to provide its independent Brand Ambassador with the best products and services and Rewards Plan in the industry. Accordingly, **iii International** values constructive criticism and encourages the submission of written comments addressed to the **iii International** Compliance department.

B. Negative and disparaging remarks about **iii International**, its products or Rewards Plan, by Brand Ambassador, made to **iii International**, in the Field or at **iii International** meetings or events, or disruptive behavior at **iii International** meetings or events, serve no purpose other than to dampen the enthusiasm of other **iii International** Brand Ambassador. **iii International** Brand Ambassador must not belittle **iii International**, other **iii International** Brand Ambassador, **iii International** products or services, the Rewards Plan, or **iii International** directors, officers, or employees, product suppliers, or agents. Such conduct represents a material breach of these Policies and Procedures and may be subject to sanctions as deemed appropriate by **iii International**.

C. **iii International** endorses the following code of ethics:

- I. A **iii International** Brand Ambassador must show fairness, tolerance, and respect to all people associated with **iii International**, regardless of race, gender, social class, or religion, thereby fostering a “positive atmosphere” of teamwork, good morale, and community spirit.
- II. A Brand Ambassador shall strive to resolve business issues, including situations with upline and downline Brand Ambassador, by emphasizing tact, sensitivity, goodwill, and ensuring no intentional problems arise.
- III. **iii International** Brand Ambassador must be honest, responsible, professional, and conduct themselves with integrity.
- IV. **iii International** Brand Ambassador shall not make disparaging statements about **iii International**, other Brand Ambassador, **iii International** employees, product suppliers or agents, products, services, sales and marketing campaigns, or the Rewards Plan, or make statements that unreasonably offend, mislead, or coerce others.
- V. **iii International** may take appropriate action against a Brand Ambassador if it determines, in its sole discretion, that a Brand Ambassador's conduct is detrimental, disruptive, or harmful to **iii International** or other Brand Ambassador.

3.4 Reporting Policy Violation

A. A Brand Ambassador who observes a policy violation by another Brand Ambassador should submit a written letter of the violation directly to the **iii International** Corporate Compliance department (compliance@iii.earth).

The message shall set forth the details of the incident as follows:

- I. The nature of the violation;
- II. Specific facts to support the allegations;
- III. Dates;
- IV. Number of occurrences;
- V. Persons involved;
- VI. Supporting documentation.

B. Once the matter has been presented to **iii International**, it will be researched thoroughly by the Compliance Department, and appropriate action will be taken, if required. Compliance investigations, findings, and discipline are confidential, and the Compliance department is not required to disclose any information regarding the investigation or disciplinary actions to anyone except for the Brand Ambassador(s) who may have corrective action taken against them by **iii International** Compliance.

C. This section refers to the general reporting of Policy violations as observed by other Brand Ambassador for the mutual effort to support, protect, and defend the integrity of the **iii International** business and opportunity. If a Brand Ambassador has a grievance or complaint against another Brand Ambassador, which directly relates to his or her **iii International** business, the Procedures outlined in these Policies must be followed.

3.5 Sponsorship

- A. The Sponsor is the person who introduces a Brand Ambassador or Customer to **iii International**, helps them complete their enrollment, and supports and trains those in their downline.
- B. **iii International** recognizes the Sponsor as the name(s) shown on the first: I. Physically signed **iii International** Brand Ambassador Agreement on file; or II. Electronically signed Brand Ambassador Agreement from a website or a **iii International** Brand Ambassador website.
- C. A Brand Ambassador Agreement that contains notations such as “by phone” or the signatures of other individuals (i.e., Sponsors, Spouses, relatives, or friends) is not valid and will not be accepted by **iii International**.
- D. **iii International** recognizes that each new prospect has the right to choose his or her Sponsor ultimately, but **iii International** will not allow Brand Ambassador to engage in unethical sponsoring activities.
- E. All active Brand Ambassadors in good standing have the right to sponsor and enroll others into **iii International**. While involved in sponsoring activities, it is not uncommon to encounter situations when more than one Brand Ambassador will approach the same prospect. It is the accepted courtesy that the new prospect will be sponsored by the first Brand Ambassador who presented a comprehensive introduction to **iii International** products or business opportunities.
- F. A Protected Prospect is a guest of any **iii International** Brand Ambassador or Customer who attended a **iii International** event or conference call. For sixty (60) days following the event, a Protected Prospect cannot be solicited or sponsored by any other **iii International** Brand Ambassador who attended the same event. **iii International** event can be defined as the following:
- I. Any **iii International** training session;
 - II. Conference call;
 - III. Fly-in meeting; or
 - IV. Presentation, including but not limited to a **iii International** at home presentation, whether sponsored by, a Brand Ambassador, a Customer, or an agent or agency designated by **iii International**.

3.6 Cross Sponsoring Prohibition

- A. “Cross sponsoring” is defined as the enrollment into a different line of sponsorship of an individual, or Business Entity, that already has a signed Brand Ambassador Agreement. Actual or attempted cross sponsoring is not allowed. If **iii International** verifies cross sponsoring, sanctions up to and including termination of a Brand Ambassador’s Brand Ambassador may be imposed.
- B. The use of a Spouse’s or relative’s name, trade names, assumed names, DBA names, corporation, Ambassadorship, trust, Federal ID numbers, or imaginary I.D. numbers to evade or circumvent this Policy is not permitted.
- C. This Policy does not prohibit the transfer of a **iii International** business following **iii International** Sale or Transfer Policy outlined in these Policies.

3.7 Adherence to the **iii International** Rewards Plan

A. A Brand Ambassador must adhere to the Terms of the **iii International** Rewards Plan as outlined in these Policies and Procedures as well as in official **iii International** literature. Deviation from the Rewards Plan is prohibited.

iii International reserves the right to, in its sole discretion, determine who goes on company Lifestyle Trips (also known as incentive trips or rewards trips).

B. A Brand Ambassador shall not offer the **iii International** opportunity through, or in combination with, any other system, program, or method of marketing other than that outlined explicitly in official **iii International** literature.

C. A Brand Ambassador shall not require or encourage a current or prospective Customer or Brand Ambassador to participate in **iii International** in any manner that varies from the Rewards Plan as outlined in official **iii International** literature. The purchase of a product is not required to become a **iii International** Brand Ambassador.

D. A Brand Ambassador shall not require or encourage a current or prospective Customer or Brand Ambassador to make a purchase from or payment to any individual or other entity as a condition to participating in the **iii International** Rewards Plan, other than such purchases or fees required to build their business naturally.

3.8 Adherence to Laws and Ordinances

A. Many cities and counties have laws regulating individual home-based businesses. In most cases, these ordinances do not apply to Brand Ambassador because of the nature of the business. However, Brand Ambassador must check their local laws and obey the laws that do apply to them.

B. A **iii International** Brand Ambassador shall comply with all federal, state, and local laws and regulations in their conduct of his or her **iii International** business.

3.9 Compliance with Applicable Income Tax Laws

A. **iii International** will automatically provide a complete 1099 Miscellaneous Income Tax form (nonemployee compensation) to each U.S. Brand Ambassador whose earnings for the year are at least \$600 or who received trips, prizes, or awards valued at \$600 or more. If earnings and purchases are less than stated above, IRS forms will be sent only at the request of the Brand Ambassador, and **iii International** may assess a minimum charge of \$20.

B. A Brand Ambassador accepts sole responsibility for and agrees to pay all federal, state, and local taxes on any income generated as an Independent Brand Ambassador, and further agrees to indemnify **iii International** from any failure to pay such tax amounts when due.

C. If a Brand Ambassador's business is tax-exempt, the Federal Tax Identification Number must be provided to **iii International** in writing.

D. **iii International** encourages all Brand Ambassadors to consult with a tax advisor for additional information for their business.

3.10 One **iii International** Business Per Brand Ambassador

A Brand Ambassador may operate or have an ownership interest, legal or equitable, as a sole proprietorship, Ambassador, shareholder, trustee, or beneficiary, in only one (1) **iii International** business. No individual may have, operate, or receive compensation from more than one **iii International** business. Individuals of the same family unit may each enter into or have an interest in their separate **iii International** businesses, only if each subsequent family position is placed frontline to the first family member enrolled. A “family unit” is defined as spouses and dependent children living at or doing business at the same address.

3.11 Actions of Household Members or Affiliated Parties

A. If any member of a Brand Ambassador's immediate household engages in any activity which, if performed by the Brand Ambassador, would violate any provision of Agreement, such activity will be deemed a violation by the Brand Ambassador and **iii International** may take disciplinary action under these Policies and Procedures against the Brand Ambassador.

B. Similarly, if any individual associated in any way with a corporation, Ambassadorship, LLC, trust or other entity (collectively “Business Entity”) violates Agreement, such action(s) will be deemed a violation by the Business Entity, and **iii International** may take disciplinary action against the Business Entity. Likewise, if a Brand Ambassador enrolls in **iii International** as a Business Entity, each Affiliated Party of the Business Entity shall be personally and individually bound to and must comply with, the Terms and Conditions of the Agreement.

3.12 No Violation of Previous Agreement

You agree that you are not currently in material breach of, and will not during the term of the Agreement to be in material breach of, any other contract, obligation, or covenant that would affect your ability to perform hereunder, and as a result of entering into the Agreement, will not materially breach any contract, obligation or covenant (such as a covenant not to compete located in a prior agreement).

3.13 Solicitation for Other Companies or Products

A. A **iii International** Brand Ambassador may participate in other direct sales, multilevel, network marketing or relationship marketing business ventures or marketing opportunities whose products do not compete with **iii International**. The competing venture is defined as a company that markets or sells dietary supplements or skincare products. Upon reaching the rank of 4Star, you may NOT participate in any direct sales, multilevel, or other network marketing ventures. Additionally, the following must be adhered to:

B. During the Term of this Agreement and for one (1) year thereafter, a **iii International** Brand Ambassador may not recruit any **iii International** Brand Ambassador or Customer for any other direct sales or network marketing business, unless such Brand Ambassador personally sponsored that Brand Ambassador or Customer.

C. The term “recruit” means actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way (either directly or through a third party), another Brand Ambassador or Customer to enroll or participate in any direct sales or network marketing opportunity. This conduct represents recruiting even if the Brand Ambassador's actions are in response to an inquiry made by another Brand Ambassador or Customer.

D. During the term of the Agreement and for six (6) months thereafter, any **iii International** Brand Ambassador must not sell or entice others to sell, any competing products or services, including training materials, to **iii International** Customers or Brand Ambassador. Any product or service in the same category as a **iii International** product or service is deemed to be competing (i.e., any competing product or service regardless of differences in cost or quality. This provision does not apply where professional services are the primary source of revenue, and the product sales are secondary (e.g., doctor's offices, clinics, health clubs, spas, and beauty salons).

E. A Brand Ambassador may sell non-competing products or services to **iii International** Customers and Brand Ambassador that they personally sponsored.

F. A Brand Ambassador may not display or bundle **iii International** products or services, in sales literature, on a website or in sales meetings, with any other products or services to avoid confusing or misleading a prospective Customer or Brand Ambassador into believing there is a relationship between the **iii International** and non-**iii International** products and services.

G. **iii International** Brand Ambassador may not offer any non-**iii International** opportunity, products or services at any **iii International** related meeting, seminar or convention, or immediately following a **iii International** event.

H. A violation of any of the provisions in this section shall constitute unreasonable and unwarranted contractual interference between **iii International** and its Brand Ambassador and would inflict irreparable harm on **iii International**. In such an event, **iii International** may, at its sole discretion, impose any sanction it deems necessary and appropriate against such Brand Ambassador or such Brand Ambassador's Brand Ambassador, including termination, or seek immediate injunctive relief without the necessity of posting a bond.

3.14 Presentation of the **iii International** Opportunity

A. As a Brand Ambassador, you are responsible for promoting the excellent reputation of the **iii International** brand; and to avoid misleading, unethical, or immoral conduct or practices. You are not permitted in any way to disparage or harm **iii International** reputation.

B. In presenting the **iii International** opportunity to potential Customers and Brand Ambassador, a Brand Ambassador is required to comply with the following provisions:

- I. A Brand Ambassador shall not misquote or omit any significant material fact about the Rewards Plan.
- II. A Brand Ambassador shall make it clear that the Rewards Plan is based upon sales of **iii International** products and services and upon the sponsoring of other Brand Ambassadors.
- III. A Brand Ambassador shall make it clear that success can be achieved only through substantial independent efforts. Examples of misrepresentations in this area include A. "When you join, I will build a Downline for you;" B. "When you join, your downline will grow through spillover;" C. "Company will do all the work for you;" D. "You don't have to sell anything, just buy your products every month."
- IV. A **iii International** Brand Ambassador shall not make unauthorized income projections, claims, guarantees, or lifestyle claims while presenting or discussing the **iii International** opportunity or Rewards Plan to prospective Brand Ambassador or Customers. Examples of statements of non-average earnings include A. "Our number one Brand Ambassador earned over a million dollars last year." B. "Our average ranking Brand Ambassador makes \$5,000 per month." C. "The monthly income for our higher-ranking Brand Ambassador is \$10,000 on the low end to \$30,000 a month on the high end." D. "Four months into working the business, I had quadrupled what I have ever made as a teacher." E. "We can go on extended family vacations to exotic locations, purchase large homes, and drive nice cars."

F. “Bring your friends and find out how to make money in just a couple weeks.” G. “Achieve financial freedom working from home part-time.”

- V. A Brand Ambassador may not use official **iii International** material to promote the **iii International** business opportunity in any country where **iii International** has not established a “presence.”
- VI. During the term of Agreement and after the termination of the contract, a Brand Ambassador agrees to secure **iii International** owners, Brand Ambassadors, employees, etc. against liability for their actions as a result of any unauthorized claims made by a Brand Ambassador.

3.15 (a) Presentation of the **iii International** Products

A. A Brand Ambassador takes full responsibility for verbal and written statements about **iii International** Products that are not included in **iii International** official marketing materials. This includes all communication done person to person, through social media, in meetings, or any other communication outlets.

B. Product testimonials should not include any claims or describe experiences that go beyond typical results or what every consumer can reasonably expect to experience when consuming the products. All testimonials should not include disease names and unauthorized or unsubstantiated health claims.

- I. Any claims that the product helps prevent/treat disease, illness, or injury are also not permitted. This also includes claims made regarding animals. Here below are examples of what and CANNOT say regarding **iii International** products: Helps my arthritis; B. Helps my knee injury; C. Pain-free; D. I no longer need my pain medication; E. Helps my fibromyalgia” “Natural anti-depressant; F. Treats insomnia; G. Reduces nausea or other adverse side effects from my medication; H. Anxiety relief; I. Prevents/treats cancer; J. Use **iii International** products to help your diabetes; K. Virus/Bacteria Cure; L. Antiaging; M. Inflammation cure; N. Clinically proven; O. Get rid of wrinkles P. Treat facial conditions (acne, eczema, rosacea, psoriasis); Q. Will make you look [numerical value] years younger; R. Instantly improves skin quality and removes wrinkles; S. Instantly improves skin elasticity and firmness. T. Helps fight diseases (Brand Ambassador should refrain from mentioning diseases, symptoms of a disease, or other health conditions in connection with **iii International** products or its ingredients).
- II. A Brand Ambassador should not use 3rd party scientific research that is not part of **iii International** official marketing materials to promote, sell, or market **iii International**’s products.
- III. During the term of the Agreement and after the termination of Agreement, a Brand Ambassador agrees to secure **iii International** owners, Brand Ambassadors, employees, etc. against liability for their actions as a result of any unauthorized claims made by a Brand Ambassador.
- IV. Unless approved by the **iii International** Compliance department, no product testimonials can be published online, in print, or any other mass communication outlets.

3.15(b) Business Support Materials and Training Systems

A. **Business Support Materials** (or “BST”) as used in these Rules means all products and services (including but not limited to business aids, books, magazines, flip charts, and other printed material, online literature, internet websites, advertising, audio, video or digital media, rallies, meetings, and educational seminars, and other types of materials and services) that are (i) designed to solicit and/or educate Brand Ambassadors, Prospects, Customers, or prospective Customers of **iii International** products or services, or to support, train, motivate, and/or educate Brand Ambassadors, or (ii) incorporate or Use one or more of the Marks or Copyrighted Works of **iii International**, or (iii) are otherwise offered with an explicit or implied sense of affiliation, connection, or association with **iii**

International. Unless otherwise specified in writing, Brand Ambassadors acknowledge that nothing in this Rule, or in any other Rule, shall be construed or interpreted as a license or other permission to incorporate any LOS Information into any BST.

B. General Rules on BST: Training systems and the sale of BTS's are not intended to be a profit center for Brand Ambassadors but instead are an effort to encourage Brand Ambassadors to use their creativity and experience to help others grow their businesses. As such, there should NEVER be an instance where Brand Ambassadors are spending money on their BSTs or training that is disproportionate to the income of their own business.

iii International intends to encourage Brand Ambassadors to utilize the wisdom of their uplines but to keep expenditures in constant perspective to the value added to their businesses.

1. Brand Ambassadors may sell BST only in accordance with Rules set forth herein. BST created, used, promoted, distributed, or offered for sale by or to Brand Ambassadors must: (a) comply with all Quality Assurance Standards and any applicable Rules of Conduct relating to their use, promotion, and sale; (b) be submitted to **iii International** for review prior to use, promotion, distribution or sale; (c) be authorized by **iii International**.
2. **iii International** Satisfaction Guarantee and Buy-Back Rules do not apply to materials not sold by **iii International**. BST may only be sold subject to the right of the purchaser to return such BST for a refund.
3. During the first 90 days following a Brand Ambassador's registration with **iii International**, the Brand Ambassador may return all BST of any form purchased, including meeting tickets, together with proof of purchase, for a 100% refund of the price paid for such BST.
4. A Brand Ambassador end-user of BST may return BST purchased, together with proof of purchase, within 180 days following purchase, for a refund on commercially reasonable terms.
5. Each Brand Ambassador who chooses to sell tickets to seminars, events, and other business meetings is obligated to buy back tickets purchased for the purchaser's personal use for a period of 30 days after the event, provided the dissatisfied purchaser personally attended the event. Such refund shall be for that portion of the cost of the event related to admission to the event, exclusive of the cost of travel, meals, or hotel accommodations.
6. BST offered in the form of website subscriptions and downloadable media are subject to the following requirements: (a) Purchasers canceling website subscriptions are entitled to a refund for unused, whole months of any prepaid subscription(s); and (b) Purchasers of downloadable media are entitled, if dissatisfied, to obtain a replacement download of equal value within 30 days of the purchase of the subject downloadable media.
7. Brand Ambassadors promoting, selling, distributing, or offering BST for sale must: (a) ensure that such BST are not sold or offered for sale in conjunction with the Brand Ambassador's registration with **iii International**; (b) provide purchasers of such BST with any disclosures or other information that may be required by **iii International** from time to time; (c) clearly inform every Brand Ambassador purchasing BST that purchasing BST is optional, is strictly voluntary, and may be helpful but is not necessary to build a successful independent business; and (d) advise the purchaser about refund policies that apply to such BST.
8. Brand Ambassadors may organize seminars, events, or business meetings for Brand Ambassadors consistent with their training obligations as sponsors.
9. Brand Ambassadors creating, using, selling, promoting, or distributing BST must obtain appropriate written authorization from **iii International** in order to Use any Marks or otherwise use any copyrighted material or other intellectual property of **iii International** in connection with such BST.

10. Brand Ambassadors creating, using, selling, promoting, or distributing BST must not infringe the copyrights or intellectual property rights of **iii International** or other Brand Ambassadors or third-parties.

C. Sale, Promotion and Distribution of BST

Brand Ambassadors who wish to sell, promote, or earn income from the sale of BST must adhere to all quality control measures set forth herein.

iii International reserves the right, with commercially reasonable notice, to discontinue the practice of allowing Brand Ambassadors to engage in the sale and marketing of BST or events without compensation to any Brand Ambassadors engaged in the sale or marketing of BST or events. **iii International** will give commercially reasonable notice in such instance sufficient to allow Brand Ambassadors to diminish inventory and complete scheduled events for which more than a de minimus number of tickets have been sold.

3.16 The Rewards Plan governs sales Requirements

A. **iii International** Brand Ambassador may purchase **iii International** products and then resell them at any price they choose unless otherwise specified by **iii International** or by any/its product suppliers on a per-product basis. **iii International** will provide suggested selling prices. There are no exclusive territories granted to anyone. No franchise fees apply to a **iii International** business.

B. The **iii International** program is built on sales to the ultimate consumer. **iii International** encourages its Brand Ambassador to only purchase inventory that they and their family will personally consume, will be used as a sales tool, or will be resold to others for their ultimate consumption. Brand Ambassador must never attempt to influence any other Brand Ambassador to buy more products than they can reasonably use or sell to retail customers in a month.

C. Each **iii International** Brand Ambassador commits to personally use, sell, or use in the business building at least 70% of every order placed with Company before placing another order and must be able to certify to such if demanded by Company or by any regulatory agency. Purchasing products solely to collect bonuses or achieve rank is prohibited. **iii International** retains the right to limit the number of purchases you may make if, in our sole judgment, we believe those purchases are being made solely for qualification purposes instead of for consumption or resale.

4.0 ORDERING

4.1 Terms of sale for automatic orders and shipments

Terms of Sale: By enrolling in our LCP (Loyalty Convenience) program, Brand Ambassador agree to set up an automatic delivery with a scheduled fee that you agree to at the time of enrollment. Brand Ambassador agree their participation in the LCP program allows **iii International** to store their credit card for use with future transactions, including LCP orders. Brand Ambassador may modify or cancel the order at any time before the order being

shipped in your back office, by emailing support@iii.earth, or by calling Support at 385-333-3388. If the order has already been shipped, please refer to the return procedure found in our Return Policy.

4.2 Cancellation Policy

Brand Ambassador who wish to cancel an order before it has shipped must contact **iii International** Brand Ambassador Support at 385-333-3388. **iii International** can only cancel orders before the order ships. If an order has already shipped, please refer to the return policy.

4.3 General Order Policies

A. “Bonus Buying” is strictly prohibited. Bonus Buying includes; (a) the enrollment of individuals or entities without the knowledge of and execution of an Agreement by such individuals or Business Entities; (b) the fraudulent enrollment of an individual or entity as a Brand Ambassador or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or Business Entities as Brand Ambassador or Customers (“phantoms”); (d) purchasing **iii International** products or services on behalf of another Brand Ambassador or Customer, or under another Brand Ambassador’s or Customer’s I.D. number, to qualify for commissions or bonuses; (e) purchasing excessive amounts of products or services that cannot reasonably be used or resold in a month; and (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, commissions, or bonuses that is not driven by bona fide product or service purchases by end-user consumers. **iii International** regularly audits rank advancements, promotions, and incentive trip qualifications to identify instances of Bonus Buying or other manipulations of the **iii International** Rewards Plan.

B. Brand Ambassador shall not use another Brand Ambassador’s or Customer’s credit card or debit checking account to enroll in **iii International** or purchase products or services without the account holder’s written permission. Such documentation must be kept by the Brand Ambassador indefinitely in case **iii International** needs to reference this.

C. Regarding order with an invalid or incorrect payment, **iii International** will attempt to contact the Brand Ambassador by phone, mail, or email to obtain another form of payment. If these attempts are unsuccessful after ten (10) business days, the order will be canceled.

D. If a Brand Ambassador wants to move an order to another Brand Ambassador’s position, he or she must have the prior authorization of all parties involved. **iii International** will charge the Brand Ambassador a \$20 fee for processing.

E. Prices are subject to change without notice.

F. A Brand Ambassador or Customer who is a recipient of a damaged or incorrect order must notify **iii International** within thirty (30) calendar days from receipt of the order and follow the Procedures as outlined in these Policies.

4.4 Insufficient Funds

A. All checks returned for insufficient funds will be re-submitted for payment. A \$35 fee will be charged to the account of the Brand Ambassador or Customer for all returned checks and insufficient funds.

B. Any outstanding balance owed to **iii International** by a Brand Ambassador or Customer of the Brand Ambassador from NSF (non-sufficient funds) checks, returned check fees, or **iii International** will withhold insufficient fund fees (ACH) from a Brand Ambassador's future bonus and commission checks.

C. All transactions involving returned checks or insufficient funds through ACH or credit card, which are not resolved promptly by the Brand Ambassador, constitute grounds for disciplinary sanctions.

D. If a credit card order or automatic debit is declined the first time, the Customer or Brand Ambassador will be contacted for an alternate form of payment. If payment is declined a second time, the Customer or Brand Ambassador may be deemed ineligible to purchase **iii International** products or services or participate in the monthly auto-ship.

4.5 Sales Tax Obligation

A. The Brand Ambassador shall comply with all state and local taxes and regulations governing the sale of **iii International** products and services.

B. **iii International** will collect and remit sales tax on Brand Ambassador orders unless a Brand Ambassador furnishes **iii International** with the appropriate Resale Tax Certificate form. When orders are placed with **iii International**, sales tax is pre-paid based upon the suggested retail price. **iii International** will remit the sales tax to the appropriate state, Provincial and local jurisdictions. The Brand Ambassador may recover the sales tax when he or she makes a sale. **iii International** Brand Ambassador are responsible for any additional sales taxes due on products marked up and sold at a higher price.

C. **iii International** encourages each Brand Ambassador to consult with a tax advisor for additional information for his or her business.

4.6 Shipping Policy

A. **iii International** will ensure all orders will be shipped by the end of the next business day the order was placed. If you have additional questions regarding shipping, please contact **iii International** Support. a. Standard shipping: your order will be shipped using USPS, FedEx, or UPS, and the time until delivery will be an average of 3-9 business days. b. For other expedited shipping options, please contact **iii International** Support.

5.0 PAYMENT OF COMMISSIONS & BONUSES

5.1 Bonus and Commission Qualifications

A. A Brand Ambassador must be active and in compliance with **iii International** Policies and Procedures to qualify for bonuses and commissions. So long as a Brand Ambassador complies with the current Terms of the Agreement, **iii International** shall pay commissions to such Brand Ambassador in accordance with the current Rewards Plan.

B. **iii International** will not issue a payment to a Brand Ambassador without the receipt of a completed and signed **iii International** Brand Ambassador Agreement or Electronic Authorization.

C. **iii International** reserves the right to postpone bonus and commission payments until such time the cumulative amount exceeds \$10.

D. A monthly fee of USD\$40 will be deducted from Brand Ambassador accounts that are inactive (as defined by the **iii International** Rewards Plan) and have been holding unclaimed commissions for at least one year.

5.2 Computation of Commissions and Discrepancies

A. To qualify to receive commissions and bonuses, a Brand Ambassador must be in good standing and comply with the Terms of the Agreement and these Policies and Procedures. Commissions, bonuses, overrides, and achievement levels are calculated each month.

B. A **iii International** Brand Ambassador must review his or her monthly statement and bonus/commission reports promptly and report any discrepancies within thirty (30) days of receipt. After the 30- day “grace period,” no additional requests will be considered for commission recalculations.

C. For additional information on the payment of commissions, please review the Rewards Plan.

5.3 Adjustments to Bonuses and Commissions for Returned Products or Brand Ambassador Memberships.

A. A Brand Ambassador receives bonuses and commissions based on the actual sales of products and services to end consumers and to Brand Ambassador through product and service purchases. When a product or service is returned to **iii International** for a refund from the end consumer or by a Brand Ambassador, the bonuses and commissions attributable to the returned product or service will be deducted from the Brand Ambassador who received bonuses or commissions on such sales.

B. In the event that a Brand Ambassador terminates his or her Brand Ambassadorship, and the amounts of the bonuses or commissions attributable to the returned products or services have not yet been fully recovered by **iii International**, the remainder of the outstanding balance may be offset against any other amounts that may be owed by **iii International** to the terminated Brand Ambassador.

6.0 RETURN POLICY AND PROCESS

A. The product may be returned within 30 days after the original date of purchase (order date) for a 90% refund of the purchase price (10% restocking fee). The original shipping costs will not be refunded. Shipping costs associated with returning products are the responsibility of the customer/Brand Ambassador returning the product. Any commissions and bonuses earned on the returned products will be deducted from the refund amount on all return transactions. Returned products may impact bonuses and commissions paid to the upline/sponsor. Brand Ambassador must be in good standing.

All returns, whether by a Customer, or Brand Ambassador, must be made as follows:

- I. Obtain Return Merchandise Authorization (“RMA”) from **iii International**;
- II. Ship items to the address provided by **iii International** Customer service when you are given your RMA;
- III. Provide a copy of the invoice with the returned products or service. Such an invoice must reference the RMA and include the reason for the return.

B. All returns must be shipped to **iii International** pre-paid, as **iii International** does not accept shipping collect packages. **iii International** recommends shipping returned product by UPS or FedEx with tracking and insurance as risk of loss or damage in shipping of the returned product shall be borne solely by the Customer, or Brand Ambassador. If the returned product is not received at **iii International** Distribution Center, it is the responsibility of the Customer, or Brand Ambassador to trace the shipment and no credit will be applied.

C. The return of \$500 or more of products accompanied by request for a refund within a calendar year, by a Brand Ambassador, may constitute grounds for involuntary termination.

D. Charges will appear from **iii International.com** on your bank statement.

7.0 PRIVACY POLICY

7.1 Introduction

A. This Privacy Policy is to ensure that all Customers and Brand Ambassador understand and adhere to the basic principles of confidentiality.

7.2 Expectation of Privacy

A. **iii International** recognizes and respects the importance of its Customers and Brand Ambassador’ place on the privacy of their financial and personal information. **iii International** will make reasonable efforts to safeguard the privacy of and maintain the confidentiality of its Customers’ and Brand Ambassador’ financial and account information and nonpublic personal information.

B. By entering into the Brand Ambassador Agreement, a Brand Ambassador authorizes **iii International** to disclose his or her name and contact information to upline Brand Ambassador solely for activities related to the furtherance of the **iii International** business. A Brand Ambassador hereby agrees to maintain the confidentiality and security of such information and to use it solely for the purpose of supporting and servicing his or her downline organization and conducting the **iii International** business.

7.3 Employee Access to Information

iii International limits the number of employees who have access to Customer’s and Brand Ambassador’ nonpublic personal information.

7.4 Restrictions on the Disclosure of Account Information

iii International will not share nonpublic personal information or financial information about current or former Customers or Brand Ambassador with third parties, except as permitted or required by laws and regulations, court orders, or to serve the Customers' or Brand Ambassador' interests or to enforce its rights or obligations under these Policies and Procedures, or Brand Ambassador's Agreement or with written permission from the account holder on file.

8.0 PROPRIETARY INFORMATION AND TRADE SECRETS

8.1 Business Reports, Lists, and Proprietary Information

By completing and signing the **iii International** Brand Ambassador Agreement, the Brand Ambassador acknowledges that Business Reports, lists of Customer and Brand Ambassador names and contact information and any other information, which contain financial, scientific or other information both written or otherwise circulated by **iii International** pertaining to the business of **iii International** (collectively, "Reports"), are confidential and proprietary information and trade secrets belonging to **iii International**.

8.2 Obligation of Confidentiality

During the Term of the **iii International** Brand Ambassador Agreement and for a period of five (5) years after the termination or expiration of the Brand Ambassador Agreement between the Brand Ambassador and **iii International**, the Brand Ambassador shall not:

- I. Use the information in the Reports to compete with **iii International** or for any purpose other than promoting his or her **iii International** business;
- II. Use or disclose to any person or entity any confidential information contained in the Reports, including the replication of the genealogy in another network marketing company.

8.3 Breach and Remedies

The Brand Ambassador acknowledges that such proprietary 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 **iii International** and to independent **iii International** businesses. **iii International** and its Brand Ambassador will be entitled to injunctive relief or to recover damages against any Brand Ambassador who violates this provision in any action to enforce its rights under this section. The prevailing party shall be entitled to an award of attorney's fees, court costs, and expenses.

8.4 Return of Materials

Upon demand by **iii International**, any current or former Brand Ambassador will return the original and all copies of all “Reports” to **iii International** together with any **iii International** confidential information in such person’s possession.

9.0 ADVERTISING, PROMOTIONAL MATERIAL, USE OF COMPANY NAMES AND TRADEMARKS

9.1 Labeling, Packaging, and Displaying Products

A. A **iii International** Brand Ambassador may not relabel, repackage, refill or alter labels of any **iii International** product or service, information, materials, or program(s) in any way. **iii International** products and services must only be sold in their original containers from **iii International**. Such relabeling or repackaging violates federal and state laws, which may result in criminal or civil penalties or liability.

B. A **iii International** Brand Ambassador shall not cause any **iii International** product or service or any **iii International** trade name to be sold or displayed in retail establishments except:

- I. Where professional services are the primary source of revenue, and the product sales are secondary (e.g., doctor’s offices, clinics, health clubs, spas and beauty salons); and
- II. Where the retail establishment is owned or managed by the Brand Ambassador, and the store does not exceed \$1 million in annual gross revenue, and there are five (5) or fewer stores under common ownership of management.

C. Brand Ambassador may seek a Retail Establishment Exception to the rule outlined in Section 9.1B by completing a Retail Establishment Exception form from **iii International** and receiving approval of such Request following review from **iii International** Compliance. Each Request is subject to review by **iii International** Compliance in its sole discretion and an approval in one instance does not guarantee approval in any future instance for the same Brand Ambassador or another Brand Ambassador. Additionally, any Brand Ambassador’s Exception status may be periodically reviewed and modified, or removed.

D. **iii International** will permit Brand Ambassador to solicit and make Commercial Sales upon prior written approval from **iii International**. For the purpose of these Policies and Procedures, the term “Commercial Sale” means the sale of I. **iii International** products that equal or exceed \$5,000 in a single order; II. Products sold to a third party who intends to resell the products to an end consumer.

E. A Brand Ambassador may sell **iii International** products and services and display the **iii International** trade name at any appropriate display booth (such as trade shows) upon prior written approval from **iii International**.

F. **iii International** reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its products and services, or the **iii International** opportunity.

9.2 Use of Company Names and Protected Materials

A. A **iii International** Brand Ambassador must safeguard and promote the good reputation of **iii International** and the products and services it markets. The marketing and promotion of **iii International**, the **iii International** opportunity, the Rewards Plan, and **iii International** products and services will be consistent with the public interest and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct and practices.

B. All promotional materials supplied or created by **iii International** must be used in their original form and cannot be changed, amended, or altered except with prior written approval from the **iii International** Compliance department.

C. The name of **iii International**, each of its product and service names and other names that have been adopted by **iii International** in connection with its business, are proprietary trade names, trademarks, and service marks of **iii International**. As such, these marks are of great value to **iii International** and are supplied to Brand Ambassador for their use only in an expressly authorized manner.

D. A **iii International** Brand Ambassador's use of the name "**iii International**" is restricted to protect **iii International** proprietary rights, ensuring that the **iii International** protected names will not be lost or compromised by unauthorized use. Use of the **iii International** name on any item not produced by **iii International** is prohibited except as follows:

- I. [Brand Ambassador's name/Team Name] Independent **iii International** Brand Ambassador;
- II. [Brand Ambassador's name/Team Name] Independent Brand Ambassador of **iii International** products and services;
- III. "@**iii International**by [Brand Ambassador's name/Team Name]";
- IV. [Brand Ambassador's replicated site name] Independent **iii International** Brand Ambassador

E. Further procedures relating to the use of the **iii International** name are as follows:

- I. All stationary (i.e., letterhead, envelopes, and business cards) bearing the **iii International** name or logo intended for use by the Brand Ambassador must be approved in writing by the **iii International** Compliance department.
- II. **iii International** Brand Ambassador may list "Independent **iii International** Brand Ambassador or Brand Ambassador" in the white pages of the telephone directory under his or her own name.
- III. **iii International** Brand Ambassador may not use the name **iii International** or **iii International** in answering his or her telephone, creating a voice message or using an answering service, such as to give the impression to the caller that they have reached the corporate office. They may state, "Independent **iii International** Brand Ambassador."

F. Specific photos and graphic images used by **iii International** in its advertising, packaging, and websites are the results of paid contracts with outside vendors that do not extend to Brand Ambassador. If a Brand Ambassador wants to use these photos or graphic images, they must negotiate individual agreements with the vendors for a fee.

G. A **iii International** Brand Ambassador shall not appear on or make use of television or radio or make use of any other media to promote or discuss **iii International** or its programs, products, or services without prior written permission from the **iii International** Compliance department.

H. A Brand Ambassador may not produce for sale or distribution any Company event or speech, nor may a Brand Ambassador reproduce **iii International** audio or video clips for sale or for personal use without prior written permission from the **iii International** Compliance department.

I. **iii International** reserves the right to rescind its prior approval of any sales aid or promotional material to comply with changing laws and regulations and may request the removal from the marketplace of such materials without financial obligation to the affected Brand Ambassador.

J. A Brand Ambassador shall not promote non-**iii International** products or services in conjunction with **iii International** products or services on the same websites or the same advertisement without prior approval from **iii International** Compliance.

K. Claims (which include personal testimonials) as to therapeutic, curative, or beneficial properties of any products offered by **iii International** may not be made except those contained in official **iii International** literature.

In particular, no Brand Ambassador may make any claim that **iii International** products are useful in the cure, treatment, diagnosis, mitigation, or prevention of any diseases. Such statements can be perceived as medical or drug claims. Not only do such claims violate **iii International** policies, but also, they potentially violate federal and state laws and regulations, including the federal Food, Drug, and Cosmetic Act and Federal Trade Commission Act.

9.3 Email – Limitations

A. Except as provided in this section, a Brand Ambassador may not use or transmit unsolicited email, mass email distribution, or “spamming” that advertises or promotes the operation of his or her **iii International** business. The exceptions are I. Emailing any person who has given prior permission or invitation; II. Emailing any person with whom the Brand Ambassador has established a previous business or personal relationship.

B. In all states or territories where prohibited by law, a Brand Ambassador may not transmit, or cause to be transmitted through a third party, (by telephone, facsimile, computer or other devices), an unsolicited advertisement to any equipment, which has the capacity to transcribe text or images from an electronic signal received over a regular telephone line, cable line, ISDN, T1 or any other signal carrying device, except as set forth in this section.

C. All email or computer broadcasted documents subject to this provision shall include each of the following:

- I. A clear and distinct identification that the email message is an advertisement or solicitation. The words “advertisement” or “solicitation” should appear in the subject line of the message;
- II. A definite return path or routing information;
- III. The use of legal and proper domain name;
- IV. A clear and obvious notice of the opportunity to decline to receive further commercial email messages from the sender;
- V. Unsubscribe or opt-out instructions should be the very first text in the body of the message box in the same size text as the majority of the message;
- VI. The true and correct name of the sender, valid senders email address, and a valid sender physical address;
- VII. The date and time of the transmission;

- VIII. Upon notification by the recipient of his or her request not to receive further emailed documents, a **iii International** Brand Ambassador shall not transmit any further materials to that recipient.
- D. All email or computer broadcasted documents subject to this provision shall not include any of the following:
- I. Use of any third-party domain name without permission;
 - II. Sexually explicit materials.

9.4 Internet, Social Networking Sites, and Third-Party Website Restrictions

A. A Brand Ambassador may not use or attempt to register any of **iii International** trade names, trademarks, service names, service marks, product names, URLs, advertising phrases, the Company's name or any derivative thereof, for any purpose including, but not limited to, Internet domain names (URL), third party websites, email addresses, web pages, or blogs.

B. A **iii International** Brand Ambassador may not sell **iii International** products, services, or offer the Business Opportunity using "online auctions," such as eBay®, Amazon, and any other 3rd party e-commerce sites.

C. **iii International** products may not be displayed with other products or services.

D. You are permitted to use social networking sites to share information about the **iii International** business, opportunity, and products. However, these sites cannot be used to sell **iii International**'s products where the transaction takes place on that platform. The only online environment in which sales of **iii International** may be made is through the Brand Ambassador replicated website.

E. While using social media, you must comply with the following guidelines:

- I. Profiles a brand Ambassador generates in any social community where **iii International** is discussed or mentioned must clearly identify the Brand Ambassador as **iii International** Brand Ambassador. For example:
 - i. [Brand Ambassador's name/Team Name] Independent **iii International** Brand Ambassador;
 - ii. [Brand Ambassador's name/Team Name] Independent Brand Ambassador of **iii International** products and services;
 - iii. @**iii International** by [Brand Ambassador's name/Team Name];
 - iv. [Brand Ambassador's replicated site name] Independent **iii International** Brand Ambassador
- II. If Brand Ambassador participates in social networking communities, Brand Ambassador must avoid inappropriate conversations, comments, images, video, audio, applications, or any other adult, profane, discriminatory, or vulgar content. The determination of what is inappropriate is at the sole discretion of **iii International**, and offending Brand Ambassador will be subject to disciplinary action.
- III. Banner ads and images used on these sites must be current and must come from the **iii International** approved library and be produced only by **iii International**-approved vendors. If a link is provided, it must link to the posting Brand Ambassador's replicated website.
- IV. Anonymous postings or use of an alias on any Social Media site is prohibited, and offending Brand Ambassador will be subject to disciplinary action.

- V. If you are utilizing social media in the form of a social media group (for example, Facebook Groups) the group status should be set to private, closed or secret, Brand Ambassador should not use Public groups.
- VI. Postings that are false, misleading, or deceptive are prohibited. This includes, but is not limited to, inaccurate or misleading postings relating to the **iii International** income opportunity, **iii International's** products and services, or your biographical information and credentials.
- VII. Brand Ambassador are personally responsible for their postings and all other online activity that relates to **iii International**. Therefore, even if a Brand Ambassador does not own or operate a blog or Social Media site, if a Brand Ambassador posts to any such website that relates to **iii International** or which can be traced to **iii International**, the Brand Ambassador is responsible for the posting. Brand Ambassador are also responsible for postings that occur on any blog or Social Media site that the Brand Ambassador owns, operates, or controls.
- VIII. As a **iii International** Brand Ambassador, it is essential not to converse with any person who places a negative post against you, other Brand Ambassador, or **iii International**. Report negative posts to **iii International** at compliance@iii.earth. Responding to such negative posts often simply fuels a discussion with someone carrying a grudge that does not hold themselves to the same high standards as **iii International**, and therefore damages the reputation and goodwill of **iii International**.
- IX. The distinction between a Social Media site and a website may not be clear-cut, because some Social Media sites are particularly robust, **iii International**, therefore, reserves the sole and exclusive right to classify specific Social Media sites as third-party websites and require that Brand Ambassador using, or who wish to use, such sites adhere to the **iii International** policies relating to third-party websites.
- X. If your **iii International** business is canceled for any reason, you must discontinue using the **iii International** name, and all **iii International** trademarks, trade names, service marks, and other intellectual property, and all derivatives of such marks and intellectual property, in any postings and all Social Media sites that you utilize. If you post on any Social Media site on which you have previously identified yourself as an independent **iii International** Brand Ambassador, you must conspicuously disclose that you are no longer an independent **iii International** Brand Ambassador.
- XI. **iii International** reserves the right to require the administrator of any and all social media pages or groups associated with **iii International** to provide moderator privileges to **iii International's** Compliance Department.

F. Brand Ambassador may not use blog spam, spamdexing, or any other mass-replicated methods to leave blog comments. Comments Brand Ambassador create or leave, must be useful, unique, relevant, and specific to the blog's article.

G. Failure to comply with these Policies for conducting business online may result in the Brand Ambassador losing their right to advertise and market **iii International** products, services, and **iii International's** business opportunity online in addition to any other disciplinary action available under the Policies and Procedures.

9.5 Advertising and Promotional Materials

A. You may not advertise any **iii International** products or services at a price LESS than the highest Company published, established retail price of ONE offering of the **iii International** product or service plus shipping, handling, and applicable taxes. No special enticement advertising is allowed. This includes, but is not limited to, offers of free membership, free shipping, or other such offers that grant advantages beyond those available through the Company.

- B. Advertising and all forms of communications must adhere to principles of honesty and propriety.
- C. All advertising, including, but not limited to, print, Internet, computer bulletin boards, television, radio, etc., are subject to prior written approval by the **iii International** Compliance department.
- D. All requests for approvals with respect to advertising must be directed in writing to the **iii International** Compliance department.
- E. Blind ads are not permitted.

9.6 Testimonial Permission

By signing the **iii International** Brand Ambassador Agreement, a Brand Ambassador gives **iii International** permission to use his or her testimonial or image and likeness in corporate sales materials, including but not limited to print media, electronic media, audio, and video. In consideration of being allowed to participate in the **iii International** Business Opportunity, a Brand Ambassador waives any right to be compensated for the use of his or her testimonial or image and likeness even though **iii International** may be paid for items or sales materials containing such image and likeness. In some cases, a Brand Ambassador's testimonial may appear in another Brand Ambassador's advertising materials.

9.7 Telemarketing – Limitations

A. A **iii International** Brand Ambassador must not engage in telemarketing in relation to the operation of the Brand Ambassador's **iii International** business. The term "telemarketing" means the placing of one or more telephone calls to an individual or entity to induce the purchase of **iii International** products or service or to recruit them for the **iii International** opportunity.

B. The Federal Trade Commission ("FTC") and the Federal Communications Commission ("FCC") each have laws that restrict telemarketing practices. Both Federal agencies, as well as a number of States, have "do not call" regulations as part of their telemarketing laws.

C. While a Brand Ambassador may not consider himself or herself a "telemarketer" in the traditional sense, these regulations broadly define the term "telemarketer" and "telemarketing" so that the unintentional action of calling someone whose telephone number is listed on the Federal "Do Not Call" registry could cause the Brand Ambassador to violate the law. These regulations must not be taken lightly, as they carry significant penalties (up to \$11,000 per violation).

D. "Cold calls" or "state-to-state calls" made to prospective Customers, or Brand Ambassador that promote either **iii International** products, services or the **iii International** opportunity is considered telemarketing and is prohibited.

E. Exceptions to Telemarketing Regulations

A **iii International** Brand Ambassador may place telephone calls to prospective Customers, or Brand Ambassador under the following limited situations:

- I. If the Brand Ambassador has an established business relationship with the prospect;
- II. In response to the prospect's personal inquiry or application regarding a product or service offered by

the **iii International** Brand Ambassador, within three (3) months immediately before the date of such a call;

- III. If the Brand Ambassador receives written and signed permission from the prospect authorizing the Brand Ambassador to call;
- IV. Suppose the call is to family members, personal friends, and acquaintances. However, if a Brand Ambassador makes a habit of collecting business cards from everyone he/she meets and subsequently calls them, the FTC may consider this a form of telemarketing that is not subject to this exemption;
- V. **iii International** Brand Ambassador engaged in calling “acquaintances,” must make such calls on an occasional basis only and not as a routine practice.

F. A Brand Ambassador shall not use automatic telephone dialing systems in the operation of his or her **iii International** businesses.

G. Failure to abide by **iii International** policies or regulations as set forth by the FTC and FCC regarding telemarketing may lead to sanctions against the Brand Ambassador’s Brand Ambassadorship, up to and including termination of the Brand Ambassadorship.

H. By signing the Brand Ambassador Agreement, or by accepting commission checks, other payments or awards from, a Brand Ambassador gives permission to **iii International** and other Brand Ambassador to contact them as permitted under the Federal Do Not Call regulations.

I. In the event a Brand Ambassador violates this section, **iii International** reserves the right to institute legal proceedings to obtain monetary or equitable relief.

10.0 INTERNATIONAL MARKETING

A. A **iii International** Brand Ambassador is authorized to sell **iii International** products and services to Customers and Brand Ambassador only in the countries in which **iii International** is authorized to conduct business, according to the Policies and Procedures of each country. **iii International** Brand Ambassador may not sell products or services in any country where **iii International** products and services have not received applicable government authorization or approval.

B. A Brand Ambassador may not, in any unauthorized country, conduct sales, enrollment or training meetings, enroll or attempt to enroll potential Customers or Brand Ambassador, nor conduct any other activity for the purpose of selling **iii International** products and services, establishing a sales organization, or promoting the **iii International** business opportunity.

11.0 CHANGES TO A BRAND AMBASSADOR BUSINESS

11.1 Modification of the Brand Ambassador Agreement

A **iii International** Brand Ambassador may modify his or her existing Brand Ambassador Agreement (i.e., change a social security number to a Federal ID number, add a Spouse or Ambassador to the account, or change the form of ownership from an individual to a Business Entity owned by the Brand Ambassador) by submitting a written request, accompanied by a new Brand Ambassador Agreement and the Business Registration Form, if applicable, completed with original signatures (not a “crossed out” or “white-out” version of the first Agreement, and any appropriate supporting documentation.

11.2 Change Sponsor or Placement for Active Brand Ambassador

A. Maintaining the integrity of the organizational structure is mandatory for the success of **iii International** and our independent Brand Ambassador. As such, under exceptional circumstances at the discretion of the Company, a request to change placement may only be made within the first three (3) days of initial enrollment as a Brand Ambassador. Furthermore, such changes may only occur within the same organization.

B. Sponsors may make “Placement changes” from one Brand Ambassador to another for personally Sponsored (frontline) Brand Ambassador during the first three (3) days of enrollment.

C. New Brand Ambassador or their original Sponsor may request a change of Sponsor or Placement within the first three (3) days of enrollment for the purpose of structuring an organization. The new Brand Ambassador Agreement must be received within the calendar month for commission calculations to be effective with the requested change.

D. To change or correct the Sponsor, a Brand Ambassador current sponsor must email compliance@iii.earth. Email must come from the current sponsor email address registered on the Brand Ambassador account.

E. Upon approval, the Brand Ambassador's downline, if any, will transfer with the Brand Ambassador.

F. If one transfer has already been made, a \$20 fee will be assessed for the second and for each transfer thereafter.

G. After the first three (3) days from initial enrollment, **iii International** will honor the Sponsor/Placement as shown: I. On the most recently signed Brand Ambassador Agreement on file; or II. Self-enrolled on the website (i.e., electronically signed Web Agreement).

H. **iii International** retains the right to approve or deny any requests to change Sponsor or Placement and to correct any errors related thereto at any time and in whatever manner it deems necessary.

11.3 Change Sponsor or Placement for Inactive Brand Ambassador

A. At the discretion of **iii International**, Brand Ambassador who did not participate in an auto-ship or have not ordered products or services for at least six (6) months, and who have not tendered a letter of resignation, are eligible to re-enroll in **iii International** under the Sponsor/Placement of their choice.

- B. Upon written notice to **iii International** that a former Brand Ambassador wishes to re-enroll, **iii International** will “compress” (close) the original account. A new **iii International** ID number will then be issued to the former Brand Ambassador.
- C. Such Brand Ambassador does not retain former rank, downline, or rights to commission checks from his or her previous organizations.
- D. **iii International** reserves the right to correct Sponsor or Placement errors at any time and in whatever manner it deems necessary.

11.4 Change Organizations

- A. If a **iii International** Brand Ambassador wishes to transfer organizations, he or she must submit a letter of resignation to the **iii International** Customer Service department and remain inactive (place no orders, or be on an auto-ship) with or in **iii International** for six (6) months from the receipt of the letter before being eligible to re-enroll under a different Sponsor/Placement.
- B. **iii International** retains the right to approve or deny any request to re-enroll after a Brand Ambassador's resignation.
- C. If re-enrollment is approved, the former Brand Ambassador will be issued a new **iii International** ID number and will be required to submit a new Brand Ambassador Agreement. The Brand Ambassador will not be entitled to keep any former rank, downline, or rights to commission checks from any prior organization.
- D. Transfers may not be done outside of the original organization.

11.5 Unethical Sponsoring

- A. Unethical sponsoring activities include, but are not limited to, enticing, bidding, or engaging in unhealthy competition in trying to acquire a prospect or new Brand Ambassador from another Brand Ambassador or influencing another Brand Ambassador to transfer to a different sponsor.
- B. Allegations of unethical sponsoring must be reported in writing to the **iii International** Compliance department within the first 90 days of enrollment. If the reports are substantiated, **iii International** may transfer the Brand Ambassador or the Brand Ambassador's downline to another sponsor, placement, or organization without approval from the current upline Sponsor or Placement Brand Ambassador. **iii International** remains the final authority in such cases.
- C. **iii International** prohibits the act of “Stacking.” Stacking is the unauthorized manipulation of the **iii International** compensation system or the marketing plan in order to trigger commissions or cause a promotion off a downline Brand Ambassador in an unearned manner. One example of stacking occurs when a sponsor places participant under an inactive downline without his or her knowledge in order to trigger unearned qualifications for commissioning. Stacking is unethical and unacceptable behavior, and as such, it is a punishable offense with measures up to and including the termination of the independent consultant positions of all individuals and entities found to be directly involved.
- D. Should Brand Ambassador engage in solicitation or enticement of members of another direct sales company to sell or distribute **iii International** products and services to, they bear the risk of being sued by the other direct

sales company. If any lawsuit, arbitration, or mediation is brought against a Brand Ambassador alleging that they engaged in the inappropriate recruiting activity of another company's salesforce or Customers, **iii International** will not pay any of Brand Ambassador's defense costs or legal fees, nor will **iii International** indemnify the Brand Ambassador for any judgment, award, or settlement.

11.6 Sell, Assign, or Delegate Ownership

A. In order to preserve the integrity of the hierarchical structure, it is necessary for **iii International** to place restrictions on the transfer, assignment, or sale of a Brand Ambassadorship.

B. A **iii International** Brand Ambassador may not sell or assign his or her rights or delegate his or her position as a Brand Ambassador without achieving the rank of 4Star or higher. A **iii International** Brand Ambassador who has reached the rank of 4star or higher must obtain prior written approval by **iii International**, which consent will not be unreasonably withheld. Any attempted sale, assignment, or delegation without such permission may be voided at the discretion of **iii International**.

C. Should the sale be approved by **iii International**, the Buyer assumes the position of the Seller at the current qualified title, but at the current "paid as" rank, at the time of the sale and acquired the Seller's Downline.

D. To request corporate authorization for a sale or transfer of a **iii International** Brand Ambassadorship, the following items must be submitted to the **iii International** Compliance department;

- I. A Sale/Transfer of Brand Ambassadorship Forms adequately completed with the requisite signatures.
- II. A copy of the Sales Agreement signed and dated by both Buyer and Seller.
- III. A **iii International** Brand Ambassador Agreement completed and signed by the Buyer;
- IV. Payment of the \$100 administration fee;
- V. Any additional supporting documentation requested by **iii International**.

E. Any debt obligations that either Seller or Buyer may have with **iii International** must be satisfied prior to the approval of the sale or transfer by **iii International**.

F. A **iii International** Brand Ambassador who sells his or her Brand Ambassadorship is not eligible to re-enroll as a **iii International** Brand Ambassador in any organization for six (6) full calendar months following the date of the sale except as otherwise expressly set forth in these Policies and Procedures.

11.7 Separating a **iii International** Business

A. Pending a divorce or dissolution of a Ambassadorship or other business entity, the parties must adopt one of the following methods of operation:

- I. One of the parties may, with the written consent of the other(s), operate the **iii International** business whereby the relinquishing spouse, shareholders, Ambassadors, members or trustees authorize **iii International** to deal directly and solely with the other spouse, non-relinquishing shareholder, Ambassador, member or trustee;

- II. The parties may continue to operate the **iii International** business jointly on a “business as usual” basis, whereupon all compensation paid by **iii International** will be paid in the name designated as the Brand Ambassador or in the name of the entity to be divided, as the parties may independently agree between them. If no name is stipulated, **iii International** will pay compensation to the name on record, and in such an event, the Brand Ambassador named on the account shall indemnify **iii International** from any claims from the other business owner(s) or the other spouse with respect to such payment.

B. **iii International** recognizes only one Downline Organization and will issue only one commission check per **iii International** business per commission cycle. Under no circumstances will the downline of an organization be divided, nor will **iii International** split commission or bonus checks.

C. If a relinquishing Spouse, Ambassador, or owner of the business has wholly relinquished (“Relinquishing Party”), in writing, all rights to the original **iii International** business, he or she may immediately thereafter re-enroll under the Sponsor and Placement of his or her choice. In such cases, however, the Relinquishing Party shall have no rights to, and shall not solicit, any Brand Ambassador or active Customer in the former organization and must develop new business in the same manner as any other new **iii International** Brand Ambassador. A Brand Ambassador in the Relinquishing Party’s previous downline wishes to transfer to the Relinquishing Party’s new organization or to any other organization must comply with the requirements in Section 11.4.

11.8 Succession

A. Upon the death or incapacity of a Brand Ambassador, the Brand Ambassador’s business may be passed on to his or her legal successors in interest(successor). Whenever a **iii International** business is transferred by a will or other testamentary process, the successor acquires the right to collect all bonuses and commissions of the deceased Brand Ambassador’s sales organization. The successor must:

- I. Complete and sign a new **iii International** Brand Ambassador Agreement;
- II. Comply with the Terms and provisions of the Brand Ambassador Agreement;
- III. Meet all the qualifications for the last rank achieved by the former Brand Ambassador.

B. Bonus and commission checks of a **iii International** business transferred based on this section will be paid in a single check to the successor. The successor must provide **iii International** with an “address of record” to which all bonus and commission payments will be sent. Payments will be based on the current performance of the Brand Ambassadorship, not the highest rank or volume achieved.

C. If the business is bequeathed to joint devisees (successors), they must form a business entity and acquire a Federal taxpayer identification number. **iii International** will issue all bonus and commission payments and one 1099 Miscellaneous Income Tax form to the managing business entity only.

D. Appropriate legal documentation must be submitted to the **iii International** Compliance department to ensure the transfer is done correctly. To affect a testamentary transfer of a **iii International** business, the successor must provide the following to **iii International** Compliance department:

- I. A certified copy of the death certificate
- II. A notarized copy of the will or other appropriate legal documentation establishing the successor’s right to the **iii International** business.

E. To complete a transfer of the **iii International** business because of incapacity, the successor must provide the following to the **iii International** Compliance department:

- I. A notarized copy of an appointment as trustee;
- II. A notarized copy of the trust document or other appropriate legal documentation establishing the trustee's right to administer the **iii International** business; and
- III. A completed Brand Ambassador Agreement executed by the trustee.

F. If the successor is already an existing Brand Ambassador, **iii International** will allow such Brand Ambassador to keep his or her own Brand Ambassadorship plus the inherited Brand Ambassadorship active for up to six (6) months. By the end of the 6-month period, the Brand Ambassador must have compressed (if applicable), sold, or otherwise transferred either the existing Brand Ambassadorship or the inherited Brand Ambassadorship.

G. If the successor wishes to terminate the **iii International** Brand Ambassadorship, he or she must submit a notarized statement stating the desire to end the Brand Ambassadorship, along with a certified copy of the death certificate, appointment as trustee, or any other appropriate legal documentation.

H. Upon written request, **iii International** may grant a one (1) month bereavement waiver and payout at last "paid as" rank.

11.9 Resignation/Voluntary Termination

A. A Brand Ambassador may immediately terminate his or her Brand Ambassadorship by submitting a written notice or email to the **iii International** Compliance department at compliance@iii.earth. The written notice must include the following:

- I. The Brand Ambassador's intent to resign;
- II. Date of resignation;
- III. **iii International** Identification Number;
- IV. Reason for resigning;
- V. Signature.

B. A **iii International** Brand Ambassador may not use resignation as a way to change Sponsor and Placement immediately. Instead, the Brand Ambassador who has voluntarily resigned is not eligible to reapply for a Brand Ambassadorship or have any financial interest in a or any **iii International** business for six (6) months from the receipt of the written notice of resignation.

11.10 Involuntary Termination

A. **iii International** reserves the right to terminate a Brand Ambassador's Brand Ambassadorship for, but not limited to, the following reasons:

- I. Violation of any Terms or Conditions of the Brand Ambassador Agreement;
- II. Violation of any provision in these Policies and Procedures;

- III. Violation of any provision in the Rewards Plan;
- IV. Violation of any applicable law, ordinance, or regulation regarding the **iii International** business;
- V. Engaging in unethical business practices or violating standards of fair dealing; or
- VI. Returning over \$500 worth of products, services, or sales tools for a refund within a twelve (12) month period.

B. **iii International** will notify the Brand Ambassador in writing by email, at his or her last email address on file for the account of its intent to terminate the Brand Ambassador's Brand Ambassadorship and the reasons for termination. The Brand Ambassador will have fifteen (15) calendar days from the date of email notification of such notice to respond in writing to the allegations or claims constituting cause for termination, as stated in the notice. **iii International** will then have thirty (30) calendar days from the date of receipt of the Brand Ambassador's response to render a final decision as to termination.

C. If a decision is made by **iii International** to terminate the Brand Ambassador's Brand Ambassadorship, **iii International** will inform the Brand Ambassador in writing that the Brand Ambassadorship is terminated effective as of the date of the written notification. The Brand Ambassador will then have fifteen (15) calendar days from the date of the mailing of such notice to appeal the termination in writing. **iii International** must receive the Brand Ambassador's written appeal within twenty (20) calendar days of the date of the **iii International** termination letter. If the written appeal is not received within this time period, the termination will be considered final.

D. If the Brand Ambassador does file a timely appeal of termination, **iii International** will review its decision, along with any other information it may deem relevant, reconsider any other appropriate action, and notify the Brand Ambassador of its decision. The decision of **iii International** is then considered final and not subject to further review.

E. If the termination is not rescinded, the termination will be effective as of the date of the original termination notice by **iii International**. The former Brand Ambassador shall thereafter be prohibited from using the names, marks or signs, labels, stationery, advertising, or business material referring to or relating to any **iii International** products or services. The organization of the terminated Brand Ambassador will "roll-up" to the active Upline Sponsor on record.

F. The **iii International** Brand Ambassador, who is involuntarily terminated by **iii International**, may not reapply for a Brand Ambassadorship, either under or her present name or any other name or entity, without the express written consent of an officer of **iii International**, following a review by the **iii International** Compliance Committee. In any event, such Brand Ambassador may not reapply for a Brand Ambassadorship for six (6) months from the date of termination.

11.11 Effect of Cancellation

A. Following a Brand Ambassador's cancellation for inactivity, or for voluntary/involuntary termination (collectively, a "cancellation") such Brand Ambassador:

- I. Shall have no right, title, claim or interest to any commission or bonus from the sales generated by the Brand Ambassador's former organization or any other payments in association with the Brand Ambassador's former independent Brand Ambassadorship;

- II. Effectively waives any and all claims to property rights or any interest in or to the Brand Ambassador's former Downline organization;
- III. Shall receive commissions and bonuses only for the last full pay period in which he or she was active prior to cancelation, less any amounts withheld during an investigation preceding an involuntary cancelation, and less any other amounts owed to **iii International**.

12. COMPLYING WITH THE CONTRACT (REMEDIES FOR BREACH)

Complying with the **iii International** Contract is essential for preserving a strong and viable business for BRAND AMBASSADORS and **iii International**. BRAND AMBASSADORS and **iii International** each have rights and responsibilities in case of a breach of the **iii International** Contract.

12.1 **iii International's Rights and Responsibilities:**

When **iii International** detects a potential breach of the **iii International** Contract, it will first investigate as appropriate. Before taking enforcement action, **iii International** shall attempt to contact the BRAND AMBASSADOR COUNCIL in an effort to resolve the issue. If the communication does not resolve the issue, **iii International** will seek recommendations from the BRAND AMBASSADOR COUNCIL and may take any enforcement action authorized by the **iii International** Contract including, but not limited to, one or any combination of the following:

12.1.1

A written warning to a BRAND AMBASSADOR, and/or upline or downline in the Line of Sponsorship.

12.1.2

Retraining a BRAND AMBASSADOR, and/or upline or downline BRAND AMBASSADORS in the Line of Sponsorship.

12.1.3

Suspending some or all of the rights of a BRAND AMBASSADOR for a specified period of time, or until certain conditions have been satisfied.

12.1.4

Withdrawing or denying an award, trip, pin recognition or other incentive.

12.1.5

Withholding any monthly or annual bonus or incentive payments. **iii International** will reserve this action for egregious violations of the contract, and will only pursue such action as a last resort.

12.1.6

Compensatory remedies, as applicable.

12.1.7

Transferring a BRAND AMBASSADOR or a group of BRAND AMBASSADORS.

12.1.8 Terminating a BRAND AMBASSADOR's Contract

If a BRAND AMBASSADOR elects to challenge any action taken by **iii International** under this Rule, the BRAND AMBASSADOR shall submit the issue to the Dispute Resolution Procedures described in Rule 14.

12.2 BRAND AMBASSADOR Rights and Responsibilities

If a BRAND AMBASSADOR believes that another BRAND AMBASSADOR has breached the BRAND AMBASSADOR Contract, the BRAND AMBASSADOR first should contact the BRAND AMBASSADOR in question in an effort to resolve the issue. If a BRAND AMBASSADOR believes that **iii International** has breached the BRAND AMBASSADOR Contract, the BRAND AMBASSADOR first shall contact **iii International** in an effort to resolve the issue. If discussion between the BRAND AMBASSADORS or **iii International** does not resolve the issue, the BRAND AMBASSADOR may file a written complaint with **iii International** and copy the BRAND AMBASSADOR COUNCIL. The complaint should explain the issue in as much detail as possible, and include all supporting documents. **iii International** will investigate as appropriate, and refer the matter to the BRAND AMBASSADOR COUNCIL to effectuate an appropriate remedy. Only if the BRAND AMBASSADOR COUNCIL and **iii International** fail to agree on a remedy will **iii International** take enforcement or corrective action under the BRAND AMBASSADOR Contract. If any issue remains unresolved, it shall be submitted to the Dispute Resolution Procedures described in Rule 14.

12.2.1

A BRAND AMBASSADOR who elects to challenge the validity of a Rule or other term of the BRAND AMBASSADOR Contract shall first contact **iii International** in an effort to resolve the issue. If the BRAND AMBASSADOR is not satisfied with **iii International**'s response, the dispute shall be resolved under Rule 14.

12.3 Duty to Cooperate

All BRAND AMBASSADORS are required to respond to inquiries and otherwise cooperate in a timely fashion with any investigation conducted by **iii International**. Failure to respond to inquiries or to otherwise cooperate in a timely fashion is a breach of the BRAND AMBASSADOR Contract and may result in **iii International** taking action against the BRAND AMBASSADOR.

12.4 Non-Waiver

The failure of **iii International** or any BRAND AMBASSADOR to enforce any breach of any provision of the BRAND AMBASSADOR Contract shall not constitute a waiver of any prior, concurrent, or subsequent breach of the same or any other provision of the BRAND AMBASSADOR Contract.

13.0 MODIFICATION OF THE BRAND AMBASSADOR CONTRACT

iii International may modify the BRAND AMBASSADOR Contract in accordance with the following procedures.

13.1

Any changes to Rules 12 and 14 require mutual agreement of the BRAND AMBASSADOR and **iii International**. For all other Rules, final decision-making authority on amendments to the BRAND AMBASSADOR Contract rests with **iii International**. **iii International** will, prior to final action, submit to the BRAND AMBASSADOR for discussion, evaluation, and recommendation all changes in the BRAND AMBASSADOR Contract that materially affect BRAND AMBASSADOR.

13.2

iii International will notify BRAND AMBASSADOR of the proposed changes subject to Rules 12 and 14 by making them available to review by logging on to www.iii.earth and solicit comments from BRAND AMBASSADOR concerning the proposed changes. **iii International** and the BRAND AMBASSADOR will consider any comments submitted during the 30 days following such notice. The proposed changes shall become effective 15 days after the end of the comment period, unless **iii International** makes further modifications, after consultation with the BRAND AMBASSADOR COUNCIL (and agreement in the case of Rule 11). **iii International** shall provide notice of any such further modifications on www.iiiInternational.com 15 days prior to the effective date of such further modifications. These time periods may be shortened when it is necessary for a particular change to comply with a new law or other government mandate, to protect BRAND AMBASSADOR from serious financial harm, or to protect the integrity of the Plan. Rule changes have prospective effect only.

13.3

A BRAND AMBASSADOR or Prospect may apply for a variance from certain rules or provisions of the BRAND AMBASSADOR CONTRACT. An Application for variance shall be submitted concurrently to the BRAND AMBASSADOR COUNCIL and **iii International** and shall state in detail nature the request and the basis for the request as well as any supporting documentation. Each such variance will be addressed on a case by case basis considering all necessary and relevant facts and circumstances of each particular situation. Neither the BRAND AMBASSADOR nor **iii International** has the authority to waive contractual provisions between the BRAND

AMBASSADOR or a Prospect and another company or entity. It is the responsibility of the BRAND AMBASSADOR or Prospect to respect their own legal obligation(s) with other companies or entities and neither **iii International** nor the BRAND AMBASSADOR agrees to indemnify any BRAND AMBASSADOR or Prospect from legal judgements, awards or attorneys' fees unless specifically agreed to in writing signed by the respective indemnitee and indemnitor.

13.4

Prior to the effective date of any proposed Rule change, any BRAND AMBASSADOR who is unwilling to accept a Rule change can, if he or she wishes, provide notice of his/her intent to resign from the **iii International** business on the effective date of the Rule change. Unless the proposed Rule change is withdrawn, the BRAND AMBASSADOR's resignation will become effective, and **iii International** will refund a pro rata share of the BRAND AMBASSADOR's registration or renewal fee for that year. The resigning BRAND AMBASSADOR may sell his or her business in accordance with transfer rules set forth in the BRAND AMBASSADOR.

14.0 DISPUTE RESOLUTION PROCEDURES

Disputes arising out of or relating to a BRAND AMBASSADOR, the Plan or all other terms of the BRAND AMBASSADOR Contract, including, but not limited to, any state or federal statutory or common law claims, as well as disputes involving Business Support Tools ("Disputes") shall be resolved in accordance with this Rule. The dispute resolution procedures in this Rule apply to Disputes involving the following parties: (1) a BRAND AMBASSADOR, a former BRAND AMBASSADOR, or any such BRAND AMBASSADOR's officers, directors, agents, or employees (collectively referred to as "BRAND AMBASSADORS" for purposes of this Rule); and **iii International**, and any parent, subsidiary, affiliate, predecessor, or successor thereof, or any of their officers, directors, agents, or employees (collectively referred to as "**iii International**" for purposes of this Rule). BRAND AMBASSADOR and **iii International**, are collectively referred to for purposes of this Rule as the "Party" or "Parties". This Rule is reciprocal and applies to all of the Parties.

The only exception to this rule is when a claim made by a BRAND AMBASSADOR or **iii International** is for a debt on account for product or services offered through or by **iii International** to or on behalf of the BRAND AMBASSADOR, and the only Parties to that claim are **iii International** and the BRAND AMBASSADOR, and the total value of the claim is less than \$10,000.00. In such cases the BRAND AMBASSADOR or **iii International** may elect to pursue the claim in any court of competent jurisdiction including small claims court. In all other cases the Parties will resolve the Dispute as provided for under these Rules, up to and including Binding Arbitration if necessary.

14.1 Amendment Only With BRAND AMBASSADOR COUNCIL Consent

This Rule and its subparts shall be amended only by mutual agreement between **iii International** and the BRAND AMBASSADOR COUNCIL, and such amendments shall not be retroactively applied to any dispute known to **iii International** or the BRAND AMBASSADOR COUNCIL at the time of amendment.

14.2 Temporary or Preliminary Injunctive Relief

Nothing in these Rules prevents the Parties from seeking temporary or preliminary injunctive or other relief from a court of competent jurisdiction, notwithstanding the Parties' obligation to participate in the Mediation process or Binding Arbitration under Rule 11.

14.3 Confidentiality

The Parties, when involved in the dispute resolution process in any manner, will not disclose to any other person not directly involved in the dispute resolution process: (a) the substance of, or basis for, the Dispute; (b) the content of any testimony or other information obtained through the dispute resolution process; or (c) the resolution (whether voluntary or not) of any matter that is subject to the dispute resolution process. However, nothing in these Rules shall preclude any one of the Parties from, in good faith, investigating a claim or defense, including interviewing witnesses and otherwise engaging in discovery.

14.4 Non-Binding Mediation

The Mediation process comprises two stages: Facilitative Mediation and a Hearing Panel, both of which are non-binding. The Mediation process is reciprocal and applies to all Parties. The Parties to a Dispute shall engage in the Mediation process set forth in this Rule 14 prior to proceeding to Binding Arbitration pursuant to Rule 15; however, in Disputes where an BRAND AMBASSADOR is a Party, the BRAND AMBASSADOR may, at the BRAND AMBASSADOR's sole discretion, opt out of the Mediation process at any time, before or during either the Facilitative Mediation or Hearing Panel stages, and may instead proceed directly to Binding Arbitration.

The Party first seeking resolution of a Dispute shall commence Facilitative Mediation, subject to a BRAND AMBASSADOR's ability to opt out of the Mediation process as described above, by providing a Request for Mediation to the other affected Parties and, in any Dispute, the **iii International**. In cases where the BRAND AMBASSADOR will be involved in the Mediation process, a copy of the Request for Mediation will also be given to the BRAND AMBASSADOR COUNCIL and the BRAND AMBASSADOR COUNCIL Hearing Panel Chairperson.

14.4.1 Facilitative Mediation

In the event that a Facilitative Mediation takes place, the BRAND AMBASSADOR provides experienced BRAND AMBASSADORS who are available to serve as mediators ("BRAND AMBASSADOR COUNCIL Mediator").

14.4.1.1

In cases where only BRAND AMBASSADOR and **iii International** are Parties to the Dispute and one or more BRAND AMBASSADOR involved in the Dispute have not opted out of the Mediation process pursuant to Rule 11.4, an BRAND AMBASSADOR COUNCIL Mediator will serve and conduct a Facilitative Mediation with the Parties, unless one or more BRAND AMBASSADORS involved in the Dispute objects to an BRAND AMBASSADOR COUNCIL Mediator. In that case, the Facilitative Mediation will take place with an independent neutral mediator acceptable to all Parties. **iii International** can provide a list of possible mediators, but the Parties are not obligated to agree to any mediator on that list.

14.4.1.3

In all instances where the Parties cannot agree on a mediator within ten business days of receiving the Request for Mediation, any Party upon notice to any other Party involved in the Dispute may request the American Arbitration Association (AAA) to select a mediator.

14.4.1.4

iii **International** will pay the reasonable fees of the mediator for up to one full day.

14.4.1.5

The Facilitative Mediation shall take place within 30 days of selection of a mediator. The Parties may agree to extend this date by 30 days. The mediator may extend the deadline an additional 30 days upon the request of a Party (for a total of no more than 90 days from the date of the selection of a mediator).

14.4.1.6

The Facilitative Mediation proceeding is confidential and not open to the public; but any participant may, if he or she chooses, be accompanied by an attorney or another personal representative, such as an upline BRAND AMBASSADOR or a friend or family member, as long as the representative agrees to the confidentiality obligations set forth in Rule 14.3.

14.4.1.7

All Parties who receive notice of the Facilitative Mediation are required to participate, subject to a BRAND AMBASSADOR's ability to opt out of the Mediation process pursuant to Rule 14.4. The Parties are strongly encouraged to attend the Facilitative Mediation in person, but are not required to do so. Should the Parties choose to attend in person, they are responsible for their own expenses. Failure by iii **International** or any disputing BRAND AMBASSADOR to participate in good faith is a breach of the BRAND AMBASSADOR Contract, and the Party found to be in breach shall reimburse the other Parties for any expense directly caused by the breach, as determined by the mediator.

14.4.1.8

The mediator shall within 5 business days following the Facilitative Mediation provide the Parties with a written statement summarizing any agreement between the Parties resolving their Disputes and, for any Dispute not settled, declaring that the Parties are at an impasse. The mediator may, at his/her discretion, recommend a resolution for any Dispute not settled in the Facilitative Mediation. Within 5 business days of receiving this summary, each Party shall state in writing whether or not it agrees with any recommendation by the mediator, in whole or in part.

14.4.2

Hearing Panel: If any part of the Dispute is not resolved by Facilitative Mediation under Rule 14, any BRAND AMBASSADOR who is a Party to the remaining Dispute may request a Hearing Panel, subject to the BRAND AMBASSADOR's ability to opt out of the Mediation process pursuant to Rule 14.

14.4.2.1

A Request for Hearing Panel must be presented to the **iii International** or the Hearing Panel Chairperson within 30 days after the mediator's written statement pursuant to Rule 14. Upon receipt of a request, the matter is scheduled for the next Hearing Panel session, which shall be not more than 60 days following the request. All Parties who receive notice of the hearing are required to participate, subject to an BRAND AMBASSADOR's ability to opt out of the Mediation process pursuant to Rule 14, unless excused by the Hearing Panel Chairperson or his/her designee. The Parties are strongly encouraged to attend the hearing in person, but are not required to do so. Should the Parties choose to attend in person, they are responsible for their own expenses.

14.4.2.2

The BRAND AMBASSADOR COUNCIL selects the Hearing Panel Chairperson, three additional Panel members, and alternates who may serve on the Hearing Panel. The Hearing Panel Chairperson will confirm that no Panel member presents a conflict of interest with respect to the matters over which the Panel presides. Once selected, the Panel members are barred from discussing the Dispute with anyone before the date of the hearing. Each Panel member and the Parties involved receive a copy of the entire Dispute file.

14.4.2.3

The Parties shall exchange all documents on which they intend to rely during the hearing at least 3 days in advance of the hearing. In addition, Parties must submit to the Panel all documents on which they intend to rely in proving or defending their claim at least 3 days in advance of the hearing. If a Party does not submit such documents in a timely fashion, the Hearing Panel Chairperson may in his or her discretion refuse to allow their introduction.

14.4.2.4

The Chairperson of the Panel is empowered to control the conduct of the hearing, and to have authorized persons administer an oath to any witness. The rules of evidence do not apply.

14.4.2.5

When a voluntary resolution does not occur, the Hearing Panel, within 30 days following completion of the hearing, will issue to the Parties and **iii International** a written statement of facts and a non-binding recommendation for resolution, including, if appropriate, the imposition of certain sanctions. Within 14 days of receiving that recommendation each Party shall inform the Panel and the other Parties in writing whether that Party: (a) accepts the recommended resolution in its entirety; (b) accepts some specific portions of the recommended resolution and

rejects the others; or (c) rejects the recommended resolution in its entirety. Any Party may demand arbitration of any unresolved Dispute under Rule 14.

14.5 Binding Arbitration

The parties shall submit any Disputes that were not resolved through the Mediation process described herein to Binding Arbitration in accordance with this Rule 14.5 et seq.

14.5.1

The arbitration award shall be final and binding and judgment thereon may be entered by any court of competent jurisdiction. The Parties acknowledge that this Binding Arbitration agreement is made pursuant to a transaction involving interstate commerce, and agree that the Federal Arbitration Act shall apply in all cases and govern the interpretation and enforcement of the Binding Arbitration agreement, arbitration rules and arbitration proceedings.

14.5.4 Commencement of Arbitration

The complaining Party may file a demand for arbitration with the American Arbitration Association (“AAA”). The arbitration will be commenced and conducted in accordance with the AAA fee schedules and commercial arbitration rules and this Rule 14. If there is any conflict between the AAA arbitration rules and this Rule, Rule 14 shall apply. The commercial arbitration rules and information about initiating an arbitration may be obtained by (1) contacting AAA at 800-778-7879 or visiting www.adr.org/Rules.

14.5.4.1

If a BRAND AMBASSADOR demands arbitration against **iii International** and the BRAND AMBASSADOR’s claim is less than \$10,000 **iii International** will pay for all applicable fees of AAA for initiating and administering the arbitration and the reasonable fees for the arbitrator for up to two days. If the BRAND AMBASSADOR’s claim exceeds \$10,000, applicable AAA fees for initiating and administering the arbitration and reasonable fees for the arbitrator shall be borne by the Parties equally.

14.5.5 Limitations

Unless prohibited by law, demand for arbitration by any Party shall be made within two years after the claim arose, but in no event after the date when the initiation of legal proceedings would have been barred by the applicable statute of limitations. The two-year period or any shorter statutory limitations period shall be tolled during the Mediation process described in Rule 14.4, provided that the Mediation process shall not revive any limitations period that has expired before the time a Party invokes Rule 14.

14.5.6 Single Arbitrator

Unless all Parties to the arbitration agree otherwise, a single arbitrator shall be chosen, and Arbitrator candidates must have at least five years’ experience as an attorney, a state or federal judge or as a full-time ADR professional.

14.5.7 Arbitrability Issues to Be Decided By Arbitrator

The Arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Agreement including, but not limited to any claim that all or any part of this Agreement is void or voidable.

14.5.8 Award

The arbitrator's award shall be limited to deciding the rights and responsibilities of the Parties in the specific dispute being arbitrated. The arbitrator's award shall have no collateral estoppel effect in any other proceeding. The arbitrator shall not provide a statement of reasons for his or her award unless requested to do so by any Party.

14.5.9 Consolidation

Similar claims involving multiple Parties may be consolidated before a single arbitrator if all Parties agree. The arbitrator will decide any disputed consolidation issues.

14.5.10 Severability

If any provision of these Policies and Procedures is found to be invalid or unenforceable for any reason, only the invalid provision shall be severed. The remaining terms and provisions hereof shall remain in full force and shall be construed as if such invalid or unenforceable provision had never comprised a part of these Policies and Procedures.

14.5.11 Waiver

Only an officer of **iii International** can, in writing, affect a waiver of the **iii International** Policies and Procedures. **iii International's** waiver of any breach by a Brand Ambassador shall not affect **iii International's** rights with respect to any subsequent breach, nor shall it affect the rights or obligations of any other Brand Ambassador. The existence of any claim or cause of action of a Brand Ambassador against **iii International** shall not constitute a defense to **iii International** enforcement of any term or provision of these Policies and Procedures.

14.5.12 Successors and Claims

The Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

15.0 GOVERNING LAW

These Policies and Procedures shall be governed by and construed in accordance with the Laws of the State of Utah and the exclusive jurisdiction of the United States courts.

16.0 iii INTERNATIONAL GLOSSARY OF TERMS ACTIVE

BRAND AMBASSADOR: A Brand Ambassador who satisfies the minimum volume requirements, as set forth in the Rewards Plan, to ensure that they are eligible to receive bonuses and commissions. **AGREEMENT:** The contract between the Company and each Brand Ambassador; includes the Brand Ambassador Agreement, the iii International Policies and Procedures, and the iii International Rewards Plan, all in their current form and as amended by iii International in its sole discretion. These documents are collectively referred to as the “Agreement.”

CANCEL: The termination of a Brand Ambassador’s business. Cancellation may be either voluntary, involuntary, or non-renewal.

REWARDS PLAN: The guidelines and referenced literature for describing how Brand Ambassador can generate commissions and bonuses.

CUSTOMER: A Customer who purchases iii International products and does not engage in building a business or retailing product.

BRAND AMBASSADOR: An individual, who purchases products, generates retail sales and business building commissions.

LINE OF SPONSORSHIP: A report generated by iii International that provides critical data relating to the identities of Brand Ambassador, sales information, and enrollment activity of each Brand Ambassador’s organization. This report contains confidential and trade secret information that is proprietary to iii International.

ORGANIZATION: The Customers and Brand Ambassador placed below a particular Brand Ambassador.

OFFICIAL iii International MATERIAL: Literature, audio or video, and other materials developed, printed, published, and distributed by iii International to Brand Ambassador.

PLACEMENT: Your position inside your Sponsor’s organization.

RECRUIT: For purposes of the iii International Conflict of Interest Policy, the term “Recruit” means the actual or attempted solicitation, enrollment, encouragement, or effort to influence in any other way, either directly, indirectly, or through a third party, another iii International Brand Ambassador or Customer to enroll or participate in another multilevel marketing, network marketing, or direct sales opportunity.

RESALABLE: Products shall be deemed “resalable” if each of the following elements is satisfied: (i) they are unopened and unused; (ii) original packaging and labeling have not been altered or damaged; (iii) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and (iv) the product contains current iii International labeling. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be resalable.

SPONSOR: A Brand Ambassador who enrolls a Customer, Retailer, or another Brand Ambassador into the Company and is listed as the Sponsor on the Brand Ambassador Agreement. The act of enrolling others and training them to become Brand Ambassador is called “sponsoring.”

UPLINE: This term refers to the Brand Ambassador or Brand Ambassador above a particular Brand Ambassador in a sponsorship line up to the Company. It is the line of sponsors that links any specific Brand Ambassador to the Company.

Exhibit C

01 RETAIL COMMISSIONS (*paid daily*)

Distributors/Brand Ambassadors in North America (United States and Canada), Australia, New Zealand, Japan and Philippines are eligible for this bonus.

The bonus is 25% of the retail price (order subtotal before taxes) from personally enrolled retail customers.

Through Daily Pay, commissions earned from retail customers are paid the following business day.

Example: if your retail customer places an order by Monday at 3:00 pm, retail commissions for this order will be paid on Tuesday.

Membership Fee: Preferred Customers pay a membership fee of \$30 per year, unlocking access to purchase products at wholesale pricing.

Enrollment Fee: Distributors/Brand Ambassadors pay a \$30 enrollment fee which includes access to a personalized back office, replicated website, mobile app AND wholesale pricing. An annual \$30 renewal fee will then apply for the duration the account is active.

02 PREFERRED CUSTOMER ACQUISITION BONUS “CAB” (*paid weekly*)

For initial orders placed by a Preferred Customer, the sponsor will receive PIB. All subsequent orders will pay 30% CAB.

The volume from a Preferred Customer's order will not count toward the sponsor's active status.

The commissionable volume of the Preferred Customer's order will be reduced.

Example: if a Preferred Customer places an initial order for product (20 CV), the sponsor will receive the CAB in an amount of 30% of the 20 CV; however, the volume from that order will not count toward the sponsor's active status.

03 PRODUCT INTRODUCTION BONUS “PIB” (*paid weekly*)

Distributors and Brand Ambassadors will earn a Product Introduction Bonus on newly sponsored Brand Ambassador's first commissionable orders as follows:

PACK NAME	PIB	PACKAGE PRICE (USD)	PACKAGE CV	PACKAGE BENEFITS
INTRO PACK	\$25	\$200	100CV	Activate Brand Ambassador account
PREMIUM PACK	\$100	\$600	300CV	Level 1,2,3 matching bonus for 4 weeks
BUSINESS BUILDER PACK	\$245	\$1,360	680CV	500 CV pushed immediately 60 CV for three 4-wk periods (total 180 CV) \$45 cycles for 12 weeks Level 1, 2, 3 matching bonus for 12 weeks
FOUNDER PACK (limited quantities for limited time only)	\$350	\$1,960	980CV	800 CV pushed immediately 60 CV for three 4-week periods (total 180 CV) \$45 cycles for 12 weeks Level 1, 2, 3 matching bonus for 12 weeks

Create-A-Pack:

The Product Introduction Bonus for Create-A-Pack is based on the percentage of the total CV of the package as follows:

- 20–199 CV = 25% of CV
- 200–299 CV = 28% of CV
- 300+ CV = 33% of CV

Example: if your newly sponsored Brand Ambassador places an order for 100 CV (Create-A-Pack), the sponsor will receive the PIB in an amount of \$25.00 (25% of 100 CV).

TEAM COMMISSIONS (*Cycle Commissions, paid weekly*)

Minimum Volume Requirements: 300 CV lesser leg and 600 CV greater leg. Brand Ambassadors will earn a \$35 cycle bonus every time their team accumulates 600/300 CV.

The cycle incentive can be increased to \$45 per cycle by meeting the following requirements in each weekly period:

- Have 10 or more active personally enrolled customers and/or Brand Ambassadors.
- Generate 1,000 CV from those customers/Brand Ambassadors, including personal orders (max. 200 CV) in a 4-week rolling period (see example below).

Example: if a Brand Ambassador has 15 customers/Brand Ambassadors at 60 CV each (total of 900 CV), 100 CV from their back office order will count toward the 1,000 CV.

Weekly Cycle Cap:

This compensation plan has a cap on how many cycles one can earn in a single week period.

- The base cap is 500 cycles maximum per week.
- The cap can be increased to 600 cycles per week if the following four criteria are met:
 - Paid as a 3 Star or above in the current week.
 - Have 3 legs of 3 Star Elite in previous 4 rolling weeks (one-3 Star Elite per enroller tree leg).
 - Reach a maximum 500 cycles in a previous week.
 - Have 10 or more active personally enrolled customers and/or Brand Ambassadors and generate 1,000 CV from those customers/Brand Ambassadors (including personal orders, max. 200 CV, in a 4-week rolling period. See example below).

Example: if a Brand Ambassador has 15 customers/Brand Ambassadors at 60 CV each (total of 900 CV), 100 CV from their back office order will count toward the 1,000 CV.

Note: when the lesser leg accumulates 10 million CV or more, the 1:1 Carry Forward Rule will apply. See official website for details.

RANK CHART

Preferred Customer	Pays membership fee, Preferred Customer purchases at wholesale price, placed in binary tree, cannot accumulate binary volume.
Distributor	Pays enrollment fee, signs Distributor Agreement, can earn PIB, can earn retail commissions, can earn CAB, placed on binary tree, cannot accumulate binary volume.
Brand Ambassador	Accumulate 100 PV from personal or customer orders in last 52 weeks.
Qualified Brand Ambassador	Enroll 1 Brand Ambassador on the left and 1 Brand Ambassador on the right.
1 Star	Accumulate 800 PGV (max 200 PGV per enroller tree leg) in last 52 weeks. Minimum 300 PGV on each binary side (max 200 PGV per enroller tree leg) in last 52 weeks.
2 Star	Accumulate 1,200 PGV (max 300 PGV per enroller tree leg) in last 52 weeks. Minimum 400 PGV on each binary side (max 300 PGV per enroller tree leg) in last 52 weeks.
3 Star	Accumulate 3,600 PGV (max 600 PGV per enroller tree leg) in last 52 weeks. Minimum 900 PGV on each binary side (max 600 PGV per enroller tree leg) in last 52 weeks.
3 Star Elite	Generate 100 binary cycles in a 4-week period.
4 Star Director	Active at 120 PV. Generate 200 binary cycles in a 4-week period. Two 3 Star legs (one 3 Star per enroller tree leg) in last 52 weeks.
5 Star Director	Active at 120 PV. Generate 500 binary cycles in a 4-week period. Four 3 Star legs (one 3 Star per enroller tree leg) in last 52 weeks.
6 Star Director	Active at 120 PV. Generate 1,000 binary cycles in a 4-week period. Six 3 Star legs (one 3 Star per enroller tree leg) in last 52 weeks.
7 Star Director	Active at 120 PV. Generate 1,500 binary cycles in a 4-week period. Two 6 Star legs (one 6 Star leg per enroller tree leg) in a 4-week period.
Gold Diamond	Active at 120 PV. Generate 4,000,000 PGV in a 4-week period. Four 6 Star Legs (one 6 Star leg per enroller tree leg) in a 4-week period.
Crown Diamond	Active at 120 PV. Generate 6,000,000 PGV in 4-week period. Six 6 Star Legs (one 6 Star leg per enroller tree leg) in a 4-week period.
Royal Crown Diamond	Active at 120PV. Generate 8,000,000 PGV in 4-week period. Eight 6 Star legs (one 6 Star leg per enroller tree leg) in a 4-week period.

*Please note that your minimum active requirement of 60 CV or 120 CV (Smart Ship Order) will NOT count toward your max. 200 CV. Your sponsor can only count the volume from your initial order or Smart Ship orders.

**For the max. 200 CV used to complete the 1,000 CV, the sponsor will not be able to use the same 200 CV towards their 1,000 CV qualification.

06 LEADERSHIP MATCHING BONUS *(paid weekly)*

Brand Ambassadors who are active at least 60 PV and are paid at the rank of 1 Star to 3 Star Elite.
Brand Ambassadors who are active at least 120 PV and are paid at the rank of 4 Star and above.

Level Matching Bonus:

LEVEL	REQUIRED RANK	% MATCH ON \$35 TEAM COMMISSION CYCLES
1	1 Star	L1-20%
2	2 Star	L1-20% + L2-15%
3	3 Star	L1-20% + L2-15% + L3-10%
4	4 Star Director	L1-20% + L2-15% + L3-10% + L4-5%
5	5 Star Director	L1-20% + L2-15% + L3-10% + L4-5% + L5-5%
6	6 Star Director	L1-20% + L2-15% + L3-10% + L4-5% + L5-5% + L6-5%
7	7 Star Director	L1-20% + L2-15% + L3-10% + L4-5% + L5-5% + L6-5% + L7-5%

The level 1 matching percentage will be increase from 20% to 30% when meeting the following requirement is met:

- Have 10 or more active personally enrolled customers and/or Brand Ambassadors and generate 1,000 CV from these customers/Brand Ambassadors*, including personal orders (max. 200 CV) in a 4-week rolling period (see example below):

Example: if a Brand Ambassador has 15 customers/Brand Ambassadors at 60 CV each (total of 900 CV), 100 CV from back office order will count toward the 1,000 CV.

Note: all Matching Bonuses are calculated based on \$35 per cycle.

07 GLOBAL LEADERSHIP BONUS POOL *(3% of global CV, paid weekly)***Requirements:**

- Must be paid at rank 4 Star Director or above and active at 120 PV.
- Have 5 personally enrolled active customers and/or Brand Ambassadors and generate a total of 300 CV from these customers/Brand Ambassadors in a 4-week rolling period.

Bonus Pool will be based on shares earned as follows:

- Earn 1 share for meeting the above two requirements.
- Your Personal Paid Rank:
 - 1 share if paid rank is 4 Star Director.
 - 1 share if paid rank is 5 Star Director.
 - 1 share if paid rank is 6 Star Director.
 - 1 share if paid rank is 7 Star Director or above.

Example: the shares are cumulative. If a Brand Ambassador is being paid as 7 Star Director, the Brand Ambassador will receive 1 share for 4 Star, 5 Star, 6 Star, and 7 Star for a total of 4 shares.

- Your Enroller Tree Paid Rank: (will take ONE highest paid rank of 4 Star or above per enroller tree leg)
 - 1 share for each 4 Star Director paid rank leg.
 - 1 share for each 5 Star Director paid rank leg.
 - 1 share for each 6 Star Director paid rank leg.
 - 1 share for each 7 Star Director and above paid rank leg.

Example: the shares are cumulative. If a Brand Ambassador has a 7 Star Director or above in their enroller tree leg, they will receive 1 share for 4 Star, 5 Star, 6 Star and 7 Star for a total of 4 shares. Will count ONE highest paid rank (4 Star or above) per enroller tree leg.

- Personal Enroller Tree Volume:
 - Earn 1 share for every 1,000 Personal Group Volume (PGV) up to the depth of the Brand Ambassador's qualified Leadership Matching Bonus level.

Example: if a Brand Ambassador qualifies to earn level 5 of the Leadership Matching Bonus, the Brand Ambassador will earn 1 share for every 1,000 PGV within levels 1–5 from the current week's PGV.

*Please note that your minimum active requirement of 60 CV or 120 CV (Smart Ship Order) will NOT count toward your max. 200 CV.

**For the max. 200 CV used to complete the 1,000 CV, the sponsor will not be able to use the same 200 CV towards their 1,000 CV qualification.

RANK ADVANCEMENT BONUS *(paid weekly)*

Brand Ambassadors will receive a one-time rank advancement reward as follows:

RANK	REWARD CERTIFICATES ¹	TOKEN AMOUNT ²	ONE TIME CASH BONUS
1 Star	\$100		
2 Star	\$200		
3 Star	\$300		
3 Star Elite		\$500	
4 Star Director		\$1,000	
5 Star Director		\$2,000	
6 Star Director		\$4,000	
7 Star Director		\$5,000	
Gold Diamond			\$50,000
Crown Diamond			\$100,000
Royal Crown Diamond			\$250,000

¹ The Reward Certificate is non-commissionable, non-CV, and valid for 6 months.

² The Token can be used for up to 50% of the purchase price on each order and is valid for 6 months.

INCENTIVES**Happy 10:**

For every 10 combinations of new retail/Preferred Customers/Distributors/Brand Ambassadors who purchase product, the sponsor will receive a \$100 non-commissionable Reward Certificate. Repeat every 10.

Loyalty Program:

- When a retail or Preferred Customer has 6 consecutive Smart Ship orders process, they will receive a \$100 non-commissionable Reward Certificate. Repeat every 6 consecutive Smart Ship orders.
- When a Distributor or Brand Ambassador has 6 consecutive Smart Ship orders process, they will receive a \$100 non-commissionable Reward Certificate. Repeat every 6 consecutive Smart Ship orders.

Commission Cap:

The maximum payout in the company payout is capped at 60% of Global CV. All commissions, bonuses, and payments will be adjusted to reflect the cap.

GLOSSARY OF TERMS

Personal Volume (PV) is generated through personal and customer purchases. PV is used for active status determinations.

Personal Group Volume (PGV) is the CV that is generated through your Lines of Sponsorship and from sales to your customers.

Group Volume (GV) is the CV generated through lines of sponsorship and from sales to customers.

Binary Volume (BV) is the sum of all Binary Left and Right CV within a given period from both left and right legs.

Commissionable Volume (CV) is the decimal value assigned to each product, the sum of which is added together for each order placed.

Lesser Leg Volume (LLV) is the sum of all Binary CV within a given period from the lesser leg (the leg with less volume).

Greater Leg Volume (GLV) is the sum of all Binary CV within a given period from the greater leg (the leg with greater volume).

Spillover describes the Brand Ambassadors placed in the team tree by those who share the same binary leg. The sales from these Brand Ambassadors are included in GV.

Highest Achieved Rank is the highest rank a Brand Ambassador has been paid over any bonus period.

Paid-as Rank is the rank a Brand Ambassador is paid at for a given bonus period.

Enroller Tree: Brand Ambassadors in each of the Lines of Sponsorship are what make up the Enroller Tree.

Bonus Period begins weekly at 12 am MT on Monday and ends at 11:59 pm MT on Sunday.

Active: To be active, a Brand Ambassador must have a minimum of 60 PV for 4 weeks.

Active Status Timeline is defined as four complete bonus periods—the current bonus period PLUS the previous three full bonus periods. PV from orders placed during this timeline is added to determine the Brand Ambassador's active status levels for rank and payout calculation determinations.

Smart Ship is an order that automatically process on a 4-week period and helps maintain active status.

08

09

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Exhibit D

Clarkson

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November 3, 2025

VIA ONLINE ELECTRONIC SUBMISSION

California Labor & Workforce
Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
SUBMITTED ONLINE

**Re: Notice Pursuant to California Labor Code § 2699.3 re: III International, LLC;
Daniel Picou, Troy Mohr, Erick Barkle, Anne Larson and Janea Janke**

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Cal. Labor Code § 2698, *et seq.*, Mr. Michael Zhu provides this notice on behalf of himself and other aggrieved employees in the State of California to the Labor and Workforce Development Agency (“LWDA”) and III International, LLC and including any and all affiliates, subsidiaries, parents, directors, officers, and employees, including but not limited to, Daniel Picou, Troy Mohr, Erick Barkle, Anne Larson, and Janea Janke (collectively, “THREE”) of Labor Code and Industrial Welfare Commission (“IWC”) Wage Order violations committed by THREE and personally experienced by Mr. Zhu. Please allow this letter to serve as a notice and a request pursuant to § 2699.3 of the California Labor Code that your agency investigate the claims described below. If the agency does not intend to investigate the alleged violations, we ask that you please notify us of that fact. If your agency decides not to investigate the below-described claims, Mr. Zhu intends to pursue civil penalties and injunctive relief through a court action and/or in arbitration, on behalf of himself and the other aggrieved employees against whom Labor Code and Wage Order violations were committed by THREE.

Introduction

THREE is headquartered in Lehi, Utah, and incorporated in Delaware. THREE develops and sells health and wellness supplements and skincare products. Pursuant to THREE’s business model, it establishes explicit relationships with various individuals known as “Brand Ambassadors” or “Distributors” who continue to recruit subsequent Brand Ambassadors or Distributors, market and sell THREE products for THREE, and establish and manage a broad range of employment policies and procedures for the Brand Ambassadors and Distributors. Despite designating these salespeople as independent contractors, these Brand Ambassadors and Distributors are in fact employees under California law. THREE has violated numerous provisions of the California Labor Code and applicable IWC Wage Order by denying its Brand Ambassadors and Distributors the compensation, other benefits and statutory entitlements that they are owed.

One of the many individuals whom THREE formally employed as a Brand Ambassador is Mr. Zhu. Mr. Zhu worked for THREE as a Brand Ambassador from approximately June 2023 to September 2025, in California. During that entire time, Mr. Zhu was under THREE's control, selling and marketing the Brand Ambassador position as well as THREE products online in accordance with strict guidelines.

Unless the agency decides to investigate and issue citations for THREE's numerous Labor Code and Wage Order violations, Mr. Zhu intends to bring a representative action in court and/or in arbitration seeking civil penalties for violations of the Labor Code that are recoverable under PAGA on behalf of the State of California and all other aggrieved employees. The aggrieved employees on whose behalf Mr. Zhu will file a PAGA civil action include all current and former THREE Brand Ambassadors and Distributors who sold THREE products and services in the State of California during the relevant statutory period, and any other individuals who are similarly misclassified by THREE under California law.

As set forth below, THREE has violated and/or continues to violate, among other provisions of the California Labor Code sections 201, 202, 203, 204, 226(a), 226.8, 510, 1174(d), 1194, 1997, 1997.1, 2802, and IWC Wage Orders, including inter alia, Wage Order No. 4, and Mr. Zhu has personally experienced each of these violations.

Willful Misclassification of an Individual as an Independent Contractor

California law prohibits the willful misclassification of an individual as an independent contractor when they are in fact an employee under California law. Cal. Lab. Code § 226.8(a). "Willful misclassification" means avoiding employee status for an individual by voluntarily and knowingly misclassifying that individual as an independent contractor. Cal. Lab. Code § 226.8(i)(4). When an employer willfully misclassifies an individual as an independent contractor, the employer is subject to civil penalties. Cal. Lab. Code § 226.8(b)–(c). THREE willfully misclassified Mr. Zhu and other aggrieved employees as independent contractors, because it has been clear for several years now under California law that its Brand Ambassadors and Distributors are in fact employees under Cal. Lab. Code § 2775, insofar as such Brand Ambassadors and Distributors are under THREE's control in performing their selling duties, the selling duties that Brand Ambassadors and Distributors do is within the usual course of THREE's business, and they are not engaged in an independently established trade, occupation or business. Even under a looser definition of "employee," Brand Ambassadors and Distributors would also be considered employees because THREE controls the manner and means through which Mr. Zhu and other aggrieved employees carry out their duties, including but not limited to restricting advertising, and restricting what channels products may be sold.

Failure to Pay Minimum Wages

THREE violated California Labor Code sections 1194, 1197, and 1197.1 and Wage Order No. 4 by failing to pay Mr. Zhu and other aggrieved employees at least minimum wages for all hours worked. Primarily, this was due to THREE having misclassified its Brand Ambassadors and Distributors as independent contractors rather than as employees. Mr. Zhu and other aggrieved employees were required or knowingly permitted to perform all their work duties off-the-clock, including but not limited to training, communicating with THREE, and selling and marketing THREE products and services. By failing to pay Mr. Zhu and other aggrieved employees any wages for their time spent performing work duties for THREE, THREE violated Labor Code sections 1194, 1197, and 1197.1 and Wage Order No. 4, which require employers to pay at least the legal minimum wage to their employees.

Failure to Pay Overtime Wages

California Labor Code section 510 and Wage Order No. 4 require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek. During the relevant time period, Mr. Zhu and other aggrieved employees worked over 8 hours in a day and/or 40 hours in a week without overtime compensation because THREE failed to pay them for their work duties, as described above. This was, in turn, due to THREE's unlawful misclassification of Brand Ambassadors and Distributors as independent contractors rather than as employees. On occasions when Mr. Zhu and other aggrieved employees had already worked eight hours in one day (performing all their work off-the-clock), THREE failed to pay them any overtime compensation due. Therefore, Mr. Zhu and the other aggrieved employees were entitled to receive overtime compensation from THREE that THREE failed to pay, violating Labor Code § 510 and Wage Order No. 4.

Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor more than the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant period, THREE failed to pay Mr. Zhu and other aggrieved employees all wages due to them, including minimum wages, overtime wages, and meal and rest period premium wages, within any time period specified by California Labor Code section 204. Moreover, THREE failed to pay Mr. Zhu or other aggrieved employees earned commissions in a timely and complete fashion.

Failure to Timely Pay Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits their employment, their wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of their intention to quit, in which case the employee is entitled to their wages at the time of quitting. During the relevant period, THREE willfully misclassified Mr. Zhu and other aggrieved employees as independent contractors rather than employees, and willfully failed to pay them overtime, or meal or rest break premiums for missed breaks, during their employment with THREE. When Brand Ambassador and Distributors such as Mr. Zhu and other aggrieved employees were terminated or quit, THREE willfully failed to pay them all wages to which they were entitled. Moreover, THREE failed to pay Mr. Zhu and other aggrieved employees all commissions owed to them prior to their termination. THREE's willful failure to pay such commissions during employment carried on following termination of Mr. Zhu and other aggrieved employees' employment.

Failure to Keep Accurate Payroll Records

California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant period, THREE failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages paid to Mr. Zhu and other aggrieved employees.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code section 226(a) and Wage Order No. 4 require an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, inter alia, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of their social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer. THREE failed to provide *any* wage statements to Mr. Zhu and other aggrieved employees, despite being required to do so. Accordingly, THREE is subject to civil penalties under Labor Code section 226.3.

Failure to Reimburse Necessary Business Expenses

Labor Code section 2802 and Wage Order No. 4 require employers to indemnify their employees for all necessary business expenses that they incur in direct consequence of the discharge of their job duties or in direct consequence of their obedience to the directions of the employer. During the relevant period, Mr. Zhu and other aggrieved employees incurred necessary business- related expenses and costs that were not fully reimbursed by THREE. These costs include, but are not limited to, the use of personal cell phones and computers, Wi-Fi and internet connections, premium memberships for access to sites like zoom that Brand Ambassador and Distributors were required to use to market and sell THREE services and products, home office equipment, ring lights other equipment for making content videos, paying out-of-pocket fees for attending yearly conferences including hotel and airfare, among other expenses. Indeed, Mr. Zhu and the other aggrieved employees absorbed all the costs associated with marketing and selling THREE's products and services at their own expense and without reimbursement by THREE. Mr. Zhu and the aggrieved employees are entitled to reimbursement for all such expenses.

* * *

THREE has violated, caused to be violated, or is currently violating, numerous provisions of the California Labor Code, as described above. Mr. Zhu respectfully requests that the agency investigate the above allegations, and, in any event, provide notice regarding its intent to investigate pursuant to Labor Code § 2699.3. If the agency does not intend to investigate the alleged violations, Mr. Zhu respectfully requests a letter confirming the same so that we may bring a civil action seeking civil penalties and injunctive relief under PAGA against THREE for the violations described in this letter. Please know that we intend to file a civil complaint and to bring the appropriate claims under Labor Code § 2699 should your office decline to investigate, or investigate but decline to issue citations, within the time frames set out in Labor Code § 2699.3.

November 3, 2025

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Should you require anything further or have questions, please do not hesitate to contact me. Thank you for your consideration.

Respectfully Submitted,

CLARKSON LAW FIRM, P.C.



Glenn A. Danas, Esq.

Via Certified Mail:

III International, LLC
1441 W Innovation Way
Ste. 100
Lehi, UT 84043

III International, LLC
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Corporation Trust Center
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Exhibit E

Clarkson

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March 3, 2026

VIA ONLINE ELECTRONIC SUBMISSION

California Labor & Workforce
Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
SUBMITTED ONLINE

**Re: Notice Pursuant to California Labor Code § 2699.3 re: III International, LLC;
Kim Hui.**

Pursuant to the Private Attorneys General Act of 2004 (“**PAGA**”), Cal. Labor Code § 2698, *et seq.*, Mr. Michael Zhu provides this notice on behalf of himself and other aggrieved employees in the State of California to the Labor and Workforce Development Agency (“**LWDA**”) and III International, LLC and including any and all affiliates, subsidiaries, parents, directors, officers, and employees, including but not limited to, Kim Hui (collectively, “**THREE**”) of Labor Code and Industrial Welfare Commission (“**IWC**”) Wage Order violations committed by **THREE** and personally experienced by Mr. Zhu. Please allow this letter to serve as a notice and a request pursuant to § 2699.3 of the California Labor Code that your agency investigate the claims described below. If the agency does not intend to investigate the alleged violations, we ask that you please notify us of that fact. If your agency decides not to investigate the below-described claims, Mr. Zhu intends to pursue civil penalties and injunctive relief through a court action and/or in arbitration, on behalf of himself and the other aggrieved employees against whom Labor Code and Wage Order violations were committed by **THREE**.

Introduction

THREE is headquartered in Lehi, Utah, and incorporated in Delaware. **THREE** develops and sells health and wellness supplements and skincare products. Pursuant to **THREE**’s business model, it establishes explicit relationships with various individuals known as “Brand Ambassadors” or “Distributors” who continue to recruit subsequent Brand Ambassadors or Distributors, market and sell **THREE** products for **THREE**, and establish and manage a broad range of employment policies and procedures for the Brand Ambassadors and Distributors. Despite designating these salespeople as independent contractors, these Brand Ambassadors and Distributors are in fact employees under California law. **THREE** has violated numerous provisions of the California Labor Code and applicable **IWC** Wage Order by denying its Brand Ambassadors and Distributors the compensation, other benefits and statutory entitlements that they are owed.

One of the many individuals whom **THREE** formally employed as a Brand Ambassador is Mr. Zhu. Mr. Zhu worked for **THREE** as a Brand Ambassador from approximately June 2023 to September 2025, in California. During that entire time, Mr. Zhu was under **THREE**’s control,

selling and marketing the Brand Ambassador position as well as THREE products online in accordance with strict guidelines.

Unless the agency decides to investigate and issue citations for THREE's numerous Labor Code and Wage Order violations, Mr. Zhu intends to bring a representative action in court and/or in arbitration seeking civil penalties for violations of the Labor Code that are recoverable under PAGA on behalf of the State of California and all other aggrieved employees. The aggrieved employees on whose behalf Mr. Zhu will file a PAGA civil action include all current and former THREE Brand Ambassadors and Distributors who sold THREE products and services in the State of California during the relevant statutory period, and any other individuals who are similarly misclassified by THREE under California law.

As set forth below, THREE has violated and/or continues to violate, among other provisions of the California Labor Code sections 201, 202, 203, 204, 226(a), 226.8, 510, 1174(d), 1194, 1997, 1997.1, 2802, and IWC Wage Orders, including inter alia, Wage Order No. 4, and Mr. Zhu has personally experienced each of these violations.

Willful Misclassification of an Individual as an Independent Contractor

California law prohibits the willful misclassification of an individual as an independent contractor when they are in fact an employee under California law. Cal. Lab. Code § 226.8(a). "Willful misclassification" means avoiding employee status for an individual by voluntarily and knowingly misclassifying that individual as an independent contractor. Cal. Lab. Code § 226.8(i)(4). When an employer willfully misclassifies an individual as an independent contractor, the employer is subject to civil penalties. Cal. Lab. Code § 226.8(b)–(c). THREE willfully misclassified Mr. Zhu and other aggrieved employees as independent contractors, because it has been clear for several years now under California law that its Brand Ambassadors and Distributors are in fact employees under Cal. Lab. Code § 2775, insofar as such Brand Ambassadors and Distributors are under THREE's control in performing their selling duties, the selling duties that Brand Ambassadors and Distributors do is within the usual course of THREE's business, and they are not engaged in an independently established trade, occupation or business. Even under a looser definition of "employee," Brand Ambassadors and Distributors would also be considered employees because THREE controls the manner and means through which Mr. Zhu and other aggrieved employees carry out their duties, including but not limited to restricting advertising, and restricting what channels products may be sold.

Failure to Pay Minimum Wages

THREE violated California Labor Code sections 1194, 1197, and 1197.1 and Wage Order No. 4 by failing to pay Mr. Zhu and other aggrieved employees at least minimum wages for all hours worked. Primarily, this was due to THREE having misclassified its Brand Ambassadors and Distributors as independent contractors rather than as employees. Mr. Zhu and other aggrieved employees were required or knowingly permitted to perform all their work duties off-the-clock, including but not limited to training, communicating with THREE, and selling and marketing THREE products and services. By failing to pay Mr. Zhu and other aggrieved employees any wages for their time spent performing work duties for THREE, THREE violated Labor Code sections 1194, 1197, and 1197.1 and Wage Order No. 4, which require employers to pay at least the legal minimum wage to their employees.

Failure to Pay Overtime Wages

California Labor Code section 510 and Wage Order No. 4 require employers to pay no less than one and one-half times the regular rate of pay of the employee for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice the regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek. During the relevant time period, Mr. Zhu and other aggrieved employees worked over 8 hours in a day and/or 40 hours in a week without overtime compensation because THREE failed to pay them for their work duties, as described above. This was, in turn, due to THREE's unlawful misclassification of Brand Ambassadors and Distributors as independent contractors rather than as employees. On occasions when Mr. Zhu and other aggrieved employees had already worked eight hours in one day (performing all their work off-the-clock), THREE failed to pay them any overtime compensation due. Therefore, Mr. Zhu and the other aggrieved employees were entitled to receive overtime compensation from THREE that THREE failed to pay, violating Labor Code § 510 and Wage Order No. 4.

Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor more than the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant period, THREE failed to pay Mr. Zhu and other aggrieved employees all wages due to them, including minimum wages, overtime wages, and meal and rest period premium wages, within any time period specified by California Labor Code section 204. Moreover, THREE failed to pay Mr. Zhu or other aggrieved employees earned commissions in a timely and complete fashion.

Failure to Timely Pay Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits their employment, their wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of their intention to quit, in which case the employee is entitled to their wages at the time of quitting. During the relevant period, THREE willfully misclassified Mr. Zhu and other aggrieved employees as independent contractors rather than employees, and willfully failed to pay them overtime, or meal or rest break premiums for missed breaks, during their employment with THREE. When Brand Ambassador and Distributors such as Mr. Zhu and other aggrieved employees were terminated or quit, THREE willfully failed to pay them all wages to which they were entitled. Moreover, THREE failed to pay Mr. Zhu and other aggrieved employees all commissions owed to them prior to their termination. THREE's willful failure to pay such commissions during employment carried on following termination of Mr. Zhu and other aggrieved employees' employment.

Failure to Keep Accurate Payroll Records

California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant period, THREE failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages paid to Mr. Zhu and other aggrieved employees.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code section 226(a) and Wage Order No. 4 require an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, inter alia, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of their social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer. THREE failed to provide *any* wage statements to Mr. Zhu and other aggrieved employees, despite being required to do so. Accordingly, THREE is subject to civil penalties under Labor Code section 226.3.

Failure to Reimburse Necessary Business Expenses

Labor Code section 2802 and Wage Order No. 4 require employers to indemnify their employees for all necessary business expenses that they incur in direct consequence of the discharge of their job duties or in direct consequence of their obedience to the directions of the employer. During the relevant period, Mr. Zhu and other aggrieved employees incurred necessary business- related expenses and costs that were not fully reimbursed by THREE. These costs include, but are not limited to, the use of personal cell phones and computers, Wi-Fi and internet connections, premium memberships for access to sites like zoom that Brand Ambassador and Distributors were required to use to market and sell THREE services and products, home office equipment, ring lights other equipment for making content videos, paying out-of-pocket fees for attending yearly conferences including hotel and airfare, among other expenses. Indeed, Mr. Zhu and the other aggrieved employees absorbed all the costs associated with marketing and selling THREE's products and services at their own expense and without reimbursement by THREE. Mr. Zhu and the aggrieved employees are entitled to reimbursement for all such expenses.

* * *

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March 3, 2026

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Should you require anything further or have questions, please do not hesitate to contact me. Thank you for your consideration.

Respectfully Submitted,

CLARKSON LAW FIRM, P.C.

A handwritten signature in black ink, appearing to read 'Kristen Simplicio', with a horizontal line extending to the right.

Kristen Simplicio, Esq.

Via Certified Mail:

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1441 W Innovation Way
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Lehi, UT 84043

III International, LLC
c/o the Corporation Trust Company
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Wilmington, DE 19801

Kim Hui
2832 Bentley Way
Diamond Bar, CA 91765