

February 17, 2020

On February 14, 2020, Modere received notice of a lawsuit filed by Isagenix. Modere believes the lawsuit is an improper and unfortunate attempt by Isagenix to intimidate its own salesforce and spread misinformation about Modere to distract from the real issues it faces. Based upon financial information made available to the public by various sources, Isagenix appears to be in a steady and sharp decline. According to these sources, Isagenix lost 23% of its revenue in 2019 alone and, since April 2018, has lost nearly 30% of their revenue. According to Moody's, Isagenix's salesforce declined from 948,000 in June 2018 to 451,000, as of February 14, 2020 ([see report here](#)). Clearly, these half million distributors left Isagenix for many companies other than Modere or have quit the business altogether. The very small number of Isagenix leaders who have enrolled in Modere this year are not the reason behind Isagenix's apparent rapid decline, but rather a result of it.

Thus, we believe Isagenix filed its lawsuit in an attempt to create a narrative to distract their field from its declining performance and to bully its sales force from leaving their company. Modere has not and does not encourage any prospective Social Marketer to breach any binding agreement they may have with a former company. But, as independent contractors, distributors are free to join any business.

Despite Isagenix's unfounded allegations, Modere is not struggling financially. Nor does Modere have any reason to retaliate against Isagenix. Isagenix's financial decline long precedes the few distributors who left Isagenix to join Modere since January. Modere is not responsible for Isagenix's corporate management, and filing a meritless lawsuit on the same day that Moody's downgrades its debt seems to be a ploy to distract and misdirect their own field.

Modere will defend its business interests and those of its Social Marketers, and will vigorously counter these allegations. For questions about the lawsuit please refer to the below:

Why did Isagenix file a lawsuit against Modere?

We believe this lawsuit is an improper attempt to manage public fallout by a business whose decline far preceded the decision of the two former Isagenix distributors named in the lawsuit to enroll in Modere. Using the legal system to distract and create fear in distributors is not a new tactic, though it is inappropriate and unfortunate. This unwarranted action taken by Isagenix suggests that it is a desperate company with problems they wish to hide. The lawsuit is baseless, and Modere will vigorously fight it to protect the company and its Social Marketers.

How can a lawsuit be filed if it contains false or misleading information?

A lawsuit can be filed by anyone, against anyone, and can contain allegations that are unproven and false. The subsequent legal process determines whether a suit has any factual or legal merit. Modere believes the Isagenix lawsuit lacks either and looks forward to establishing the baseless nature of the lawsuit in Court.

What options does Modere have to defend against a baseless lawsuit such as the one filed by Isagenix?

We believe in our industry and the right of independent distributors to provide income for their families. We do not condone raiding or the breaking of lawful contracts. When individuals have come to their own conclusions to leave a competitor because they see the new model and approach to business Modere has to

offer, many wish to join us. We welcome them and work to provide a stable environment in which they can proudly build a business.

In the past, we have had to stand up for independent distributors' rights against failing companies that attempt to bully and intimidate individuals with limited resources with which to defend themselves. We will do the same here.

Isagenix has said that Modere tried to sell themselves to Isagenix. Is this true?

No. Modere is owned by a private equity investment fund whose model is to buy promising companies, invest in them to drive sustained growth, and then sell them as they reach these targets. Modere has shown strong financial performance, in fact had its strongest, most profitable year in its history in 2019. The North America region has grown over 1500% in the last five years alone. Thanks to its innovative business model, which pivots away from the traditional MLM model, and an award-winning product portfolio, Modere's financial strength has never been better. Modere is not considering any transaction with Isagenix nor has Isagenix been given serious consideration as a potential buyer. Modere is not currently pursuing any sale transaction, though if one were to occur in the future the buyer would only be interested in Modere's revolutionary business model, its innovative products, and in continuing the growth that Modere is experiencing - which would be a positive experience for the Modere field.

Why would Isagenix make false claims about Modere's financial health?

Modere believes Isagenix's lawsuit is an attempt to distract from its publicly documented financial challenges by misdirection. The following public reports provide information about Isagenix's business and financial condition.

[Report published February 2019](#)

[Report published July 2019](#)

[Report published December 2019](#)

[Report published February 2020](#)

What about the claims that Modere and Modere executives are complicit in raiding Isagenix?

This claim has no basis in fact or legal argument. There is no legal or ethical reason a Modere employee or Social Marketer cannot discuss joining Modere with any individual. Despite this fact, the claim that a Modere executive visited the home of an Isagenix leader is categorically false. The claim that Modere executives have disparaged Isagenix by spreading word of their struggles is also false. Information about Isagenix's financial performance is reported in the public domain and available to anyone.

Has Modere been sued before for the same issues Isagenix is claiming?

We believe in standing up for the rights of distributors, especially when they are bullied by large companies. Modere has addressed these very issues in the last several years when two declining companies sued Modere and a number of individual Social Marketers for similar baseless claims. Both cases were subsequently resolved.