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# IN THE THIRD JUDICIAL DISTRICT COURT IN AND FOR SALT LAKE COUNTY, STATE OF UTAH

GREENSMOOTHIEGIRL.COM, INC.,	COMPLAINT		
Plaintiff,	(Tier 2)		
v.  ALKALINE WATER IONIZERS, INC., d/b/a LIFE IONIZERS	Case No. 200907854  Judge: Keith Kelly		
Defendant.			

Plaintiff GreenSmoothieGirl.com Inc. ("GSG") hereby complains against defendant Alkaline Water Ionizers, Inc. d/b/a Life Ionizers ("AWI"), and alleges as follows:

### **STATEMENT OF THE CASE**

1. AWI has breached its agreement with GSG by, among other things, failing to ship products, failing to respond to customer inquiries, failing to provide customer service, failing to reimburse GSG for refunds processed to customers, failing to reimburse financed orders, failing to provide warranty support to customers, and failing to hold GSG harmless for these and its many other breaches. Moreover, AWI has engaged in a smear campaign of the "Influence"

brand, a brand they actually represent and are largely responsible for—including its sales, customer support and technical support, and fulfillment and warranty services—though they currently feign to customers that they have nothing to do with the brand. The result of all of this being that GSG's reputation has been severely harmed.

### **PARTIES, JURISDICTION AND VENUE**

- 2. GSG is a Utah corporation with its principal place of business in Orem, Utah.
- 3. On information and belief, AWI is a California Corporation with its principal place of business at 6352 Corte Del Abeto, Suite H, Carlsbad, California 92011.
- 4. On information and belief, AWI also operates under the fictitious name, Life Ionizers at lifeionizers.com.
- 5. The above-named court has jurisdiction over this action pursuant to Utah Code § 78A-5-102 and pursuant to the agreement between GSG and AWI, which states in relevant part, "The representative [of GSG and AWI] consents to the jurisdiction and venue in Salt Lake City, Utah regarding any disputes between the parties."
- 6. Venue is proper in the above-named court pursuant to Utah Code § 78B-3-304, and pursuant to the agreement between GSG and AWI, which states in relevant part, "The representative [of GSG and AWI] consents to the jurisdiction and venue in Salt Lake City, Utah regarding any disputes between the parties."
- 7. In accordance with Rule 8(a) of the *Utah Rules of Civil Procedure*, the above-captioned action qualifies for standard discovery as described for Tier II in Rule 26(c)(3).

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<sup>&</sup>lt;sup>1</sup> GSG and AWI also agreed that "[p]rior to litigation filed between the parties, any disputes arising under this agreement shall be submitted to arbitration . . . ." Both GSG and AWI have waived arbitration.

### **GENERAL ALLEGATIONS**

- 8. AWI manufactures and sells water ionizers and their replacement parts and filters.
- 9. According to its website, AWI's water ionizers "use a series of internal and external filtration systems and the finest-quality platinum-coated titanium plates, to create alkaline water with the highest anti-oxidant potential in the industry."
- 10. AWI's water ionizers range in price from approximately \$1,500 to approximately \$4,500.
- 11. On information and belief, AWI's water ionizers will not function as designed without the proper filters and parts.
- 12. GSG was founded in 2007 by Robyn Openshaw as a response to her and her family members' personal health crises.
- 13. GSG promotes and sells numerous programs, supplements, books, and other products geared toward improving people's physical and emotional wellbeing.
- 14. Over the years, GSG has developed devoted followers that trust and respect GSG—and specifically Ms. Openshaw—as an honest, credible, and respected source for modeling good nutrition and health choices.
- 15. GSG has taken extraordinary efforts to culture and protect its relationships with its followers and to preserve its credibility, including spending thousands of dollars in outreach and customer satisfaction efforts.
- 16. Furthermore, GSG is well-respected in a highly competitive industry and is known for prioritizing its followers' interests. At its own expense, GSG has published hundreds

of blog posts, newsletters, and podcasts in which it focusses on behavior and products that will improve its followers' physical and emotional wellbeing.

- 17. Starting in approximately 2009, GSG began promoting the use of water ionizers, emphasizing the health benefits associated with purified water electrically separated into its alkaline and acidic components.
- 18. In addition to educating its followers of those benefits, GSG included a link to AWI's website where those who were interested could further research and purchase AWI's water ionizers.
- 19. On information and belief, as a direct result of GSG's efforts, hundreds of individuals purchased AWI's water ionizers, resulting in hundreds of thousands of dollars in revenue to AWI.
- 20. After almost a decade of referring individuals to AWI's website and generating hundreds of thousands of dollars in revenue for AWI, GSG and AWI began discussions for private labeling AWI's water ionizers under the brand name "Influence Water."
- 21. AWI agreed to the private labeling deal, and on September 24, 2019, AWI and GSG, under the d/b/a INFL Products, entered a Manufacturing Agreement (the "Agreement"), attached hereto as Exhibit A.
  - 22. Under the Agreement, AWI agreed, among other things, to do the following:
    - "Sustaining supply chain logistics (organizing shipments, delivery, freight forwarding)";
    - "Sustaining warehouse inventory with the understanding that AWI manufactures units as units and Products are ordered";
    - "Shipment fulfillment: book freight, print labels, automation emails to customers":
    - "Paying for warehousing space";
    - "Paying for warehouse staff";

- "Paying for forklift and forklift maintenance, if necessary";
- "Ordering pallets and packaging supplies";
- "Handling damage with LTL carrier"
- "Full factory warranty service from 5 years to Lifetime warranties or as currently (2019 published warranties) stated per model";
- "Product support seven days per week. Support will be 52 weeks out of the year, excluding 12 holidays, including but not limited to Thanksgiving, Christmas, New Years, and Easter. IB understands that AW! is not open on Thanksgiving, Christmas, New Years, and Easter and cannot provide support on those holidays."
- 23. AWI granted "full exclusivity to [GSG] to solicit orders" for certain water ionizer products. AWI further covenanted that "it will not sell like units to any other third party that could compete with the Products in this Agreement."
- 24. AWI also agreed to "provide sales and customer support for Influence Brands and set up a dedicated phone line for Influence Water." And agreed that "AWI's staff will answer the phone, 'Influence Alkaline Water."
- 25. In return, GSG agreed, in part, "to exclusively obtain its water ionizers from AWI" and to "recruit influencers and affiliates, and train and assist them in optimizing the promotion methods [GSG] has been successful using, as well as other marketing methods [GSG] develops."
- 26. Finally, GSG and AWI both agreed "to hold the other harmless from and against any liability and shall indemnify the other from loss, costs, expenses or damages, however incurred . . . by reason of any act, neglect, default or omission by any of its agents, employees, or other representatives over which either party has no direct control."
- 27. Immediately upon entering the Agreement, GSG began actively promoting Influence Water and AWI's water ionizers. Indeed, immediately after entering the Agreement,

GSG worked with an influencer affiliated with GSG to promote Influence Water and AWI's water ionizers.

- 28. GSG established the Influence Water website and included links to that website throughout its customer materials.
- 29. GSG personnel conducted training and recruiting sessions in which they discussed the benefits of water ionizers and encouraged GSG's followers, distributors, and affiliates to purchase and promote products available through Influence Water's website.
- 30. GSG highlighted the water ionizers at Influence Water throughout the fall of 2019 and spring of 2020 through a special, concerted effort to promote the benefits of water ionizers and encourage adoption and purchase by GSG followers.
- 31. Unfortunately, shortly after GSG began its marketing campaign and efforts to generate interest in Influence Water's water ionizers, GSG started to receive negative customer reports.
- 32. Customers reported that it was taking months for them to receive their water ionizer products.
- 33. Many customers reported never receiving their water ionizers despite, in many cases, spending thousands of dollars for water ionizers.
- 34. Many customers indicated that when they reached out to Influence Water's customer support line and customer support email they did not receive any response.
- 35. Numerous customers reported that once they finally reached someone at Influence Water, their concerns were dismissed or they were simply told that there were supplier issues and

that they would receive their order at some indefinite time in the future or the customer was wrongly told the item had shipped.

- 36. Many customers indicated that once they finally made contact with someone through the customer support line, the individual failed to identify that it was Influence Water and it sounded as if the individual were simply answering from a cell phone in a public location, entirely failing to meet standards of professionalism.
- 37. The following is a table showing a small sample of the written complaints GSG received:

Order Date	Customer Comments					
	"Purchased the new influence to replace my previous ionizer. Began using the					
	influence ionizer in Jan 20. May 30, 2020 it stopped working and said I need a #1					
	filter. Already? At time of order filters were said to last about a year. Ordered the very expensive filters. Guess what? I HAVE TO WAIT FOR THEM TO COME					
	FROM KOREA —— FIVE WEEKS??? NO WARNING the filter was bad! I'm					
	without my system for five weeks. Anybody heard of keeping a supply of filters					
	on hand if you are going to sell the equipment you should stock the filters!!! I am					
10/11/2010	so angry I could spit tacks. I've bought a sauna and a water ionizer. I was looking					
10/11/2019	at the mattresses. NO more. Not with this kind of service!!!"					
	"Good evening! I am desperately hoping you can help. I participated in a Group					
	Buy just about a year ago for a Water Ionizer that the Green Smoothie Girl was					
	promoting. About 4 to 5 months ago I contacted Influence Water to order a citric acid Filter and other replacement filters to keep up with the maintenance program.					
	They took my money but have yet to fulfill the order and now it appears as though					
	they have gone out of business or dark. I spend over \$3,000 to get the best unit					
	with a lifetime service and I am wondering who will provide that going forward					
	and more importantly can order my replacement filters through you or where will I					
	get them. I can not be the only frustrated customer and as this product was					
	promoted by the Green Smothiee group buy I would greatly appreciate some					
10/15/2019	support and information as to who I should turn to for product and support. Any help would be better than where I am right now. At a minimum it would be nice if					

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	your company has any contact with them to notify customers of the product you				
	endorsed about what is going on with them."				
	"My wife has been a fan of your's for some time. And due to your				
	recommendation of the Influence Water System, last October 2019 we purchased				
	the i-11 model for our home. We were happy with the unit, and eventually we				
	noticed that it was time to purchase replacement water filters. So this past March				
	2020, I called the phone number I was given by an Influence Water rep to place a				
	order for replacement filters (800-699-3475). That's where our trouble began. I				
	thought I was ordering water filters from Influence Water, but our credit card was				
	charged \$339.05 by "Healthy Water Systems". Apparently, Healthy Water				
	Systems is a contractor that takes care of Influence Water filter re-orders. We				
	expected the filters to arrive within a couple of weeks, but after 4 weeks we grew				
	concerned. So I called a second time and was told it normally takes 3-5 weeks				
	(that would have been nice to know up front). I was also informed that the filters				
	ship from South Korea, but the orders were behind schedule due to the Corona				
	Virus. That's understandable, but it was bad customer service for me to have to				
	call them, they should have notified me of the delay. Then around the 10 week				
	mark (I'm a pretty patient guy), I made a third phone call to the filter reorder line.				
	This time (today), I learned that the Healthy Water Systems rep (James) did not				
	even have my order in his computer system! So he must have not even checked				
	my actual order status when I called to ask about the filters after 4 weeks. The				
	bottom line is that we have not been able to use the unit for the past 3 weeks, and				
	I'm making every-other-day trips to the grocery store to buy bottled water. That's a				
	lot of inconvenience for a \$2702 Influence Water filter unit, don't you agree? So I				
	wanted to suggest that while the Influence Water Purifier is a great machine, you				
	might want to reconsider promoting them, because they need some big				
	improvements in customer service. I also wanted to ask if you could use your				
	influence (no pun intended) to get us a return authorization for the whole system				
	that we purchased, because at this point, we want a refund. We are even willing to				
	accept a pro-rated refund since we used the unit for 6 months (possibly 90% of the				
	\$2702 purchase price). We just don't trust the Influence Water company to take				
	care of our needs anymore, and now we plan to purchase another unit from a				
	different company. What do you think about that? I hope you can send me a				
10/15/2019	reply."				
	"I made a \$600+ order for filters back on March 3rd and they have my \$\$ but I				
3/03/2019	never received any Product After making more than a dozen calls to their				
	Service Number, they admit they have my order# but can give me NO info and				

	cannot track it, and essentially said they can't help me and good luck At one point, I asked for my money to be refunded and they said YES they would, and told me to watch for the Credit into my account and their email, but again NOTHING!! I have been a GSG MEMBER and used and loved my LIFE IONIZERS for 10 years now and this makes me very nervous! My next step will be to register a FRAUD COMPLAINT with my BANK to try and recoup my \$600. Can you offer any help?"
3/25/2020	"After your water ionizer podcast in late March I ordered a 15 plate ionizer from influence my credit card was charged the next day and the operator told me that the machine would be delivered in 4 to 6 weeks. That was on March 22 or 23rd. I never got an order confirmation so I have no order number. I have tried many times to contact them both via their website and the telephone number I have for them. However I have had no response. If you have contacts there can you please find out what is holding up my order. My phone number is [REDACTED] and paid with a Chase Marriott Bonnefoi credit card. The machine costs \$3012 as there were some filters included as well. Please help me to resolve this problem as I don't want to have to go to the Better Business Bureau and make a complaint but I will if necessary."
3/25/2020	"Hello, I ordered the water ionizer through the GSG group buy on March 25, 2020. My credit card was charged \$2,962.00. I have yet to receive my ionizer, and am very disappointed. Most companies don't charge the customer until the product ships. I have spoked to James at Influence (866) 494-3348 two times. The last time I was pretty upset. He says it takes 4-6 weeks. Today he told me another 7-10 days. Tomorrow will be six weeks. I realize there is not much you can do about this, but perhaps in the future, it could be more clear on when you can expect the product and that your card will be charged when ordered. Please let me know that you got this email. Thank you"
4/4/2020	"Hi [REDACTED], we have not heard from Inflluence, so I just sent them an email asking for a refund for this product. I am beyond disappointed with the customer service, and will never recommend this product to anyone."
4/7/2020	"I am hoping that you can help me. I made a purchase on April 7 of an Influence Water system (\$2700) and I have tried three times to reach someone regarding the status of the order. I have left three messages - the latest one last night. No one is returning my calls. My credit card was charged for the purchase back in April and

I am ready to file a dispute with my credit card company - "goods ordered but not received". What do you suggest I do?" "Influence Water has TERRIBLE customer support! On the webpage after I submitted my order I was told 2-4 weeks and I'd have my tracking #. It was 9 weeks later, not 4, and during that time there was NO word from the company about my \$3000 investment. You can try and blame this on COVID but my friend bought one in November and went thru the same ordeal, long before COVID started. The company should under promise and over deliver, not over promise and under deliver. When I was able to get ahold of an employee (James), it was very unprofessional, it sounded like I was talking to someone who was distracted out shopping, not in a business atmosphere, not professional. I bought my Ionizer during the promotion in late March early April with the promise that a shower filter would be included. NO SHOWER filter came. I've attempted to contact the company on the phone about water pressures issues, but can only reach a machine where I've left multiple messages. If I understand right, this company is directly tied to Green Smoothie Girl. I've ordered from greensmoothiegirl.com over the past 5 years and never had any issues. For an investment of \$3000 I'd hoping for a better customer support team that can properly take care of my order and my needs. I'm just a bit frustrated. I apologize for venting but for spending that much money, I'd like to be properly taken care of. Thanks for you attention and assistance to this matter." 4/2/2020

- 38. Upon receiving these reports, GSG immediately worked to rectify the customers' concerns.
- 39. GSG personnel reached out to AWI by repeatedly calling, emailing, and texting AWI and its owner in an effort to identify the source of these complaints and resolve their customers' concerns. Most of GSG's efforts were ignored entirely.
- 40. When AWI finally responded, GSG personnel identified specific invoices and customers who had either never received their water ionizers or had not received the appropriate customer support. What heightened GSG's concern was the possibility that there were many

more customers of whom it had no knowledge of whether they were struggling to work with AWI because they had not reached out to GSG directly.

- 41. Instead of acknowledging the importance of ensuring customer satisfaction and committing to rectify the situation, AWI became combative and refused to cooperate with GSG.
- 42. In fact, on numerous occasions, AWI not only refused to cooperate with GSG, but it lied about order status and invoicing. For instance, AWI processed numerous orders through GSG's backend—thus generating a payable for GSG to AWI—but then processed the financing through AWI's financing company. This amounted to AWI being paid twice for the same order. When GSG personnel confronted AWI on this issue, AWI's personnel initially denied that it occurred, then stated that GSG received credit for those transactions (yet failing to indicate where or how GSG was credited), and then finally (after threat of litigation) eventually paid GSG for those orders.
- 43. Eventually, the chargebacks began. As customers were not receiving their products or not receiving their entire units or failing to get necessary customer support from AWI, many customers understandably commenced the dispute resolution option available through their credit card providers. Because the orders for Influence Water were processed on GSG's backend, GSG was forced to pay those customers back.
- 44. The problem, of course, was that GSG had already paid AWI for each of those orders. GSG approached AWI first to inquire as to why its customers had not received the products they ordered and then to request that it receive a refund for having already compensated AWI for the purchase. AWI personnel again denied there was a problem and would not reimburse GSG, which had already refunded the customer.

- 45. Aside from having to pay for these chargebacks, GSG faced the crippling prospect of having its credit card processor shut down its account for exceeding the chargeback limit. Up to this point, GSG had a clean record of virtually no chargebacks. Now, because of AWI's failure to abide by the Agreement, it was receiving, at times, multiple chargebacks a week.
- 46. In its many attempts to resolve its customers' complaints with AWI, GSG discovered that AWI also frequently overcharged it for upgrades, for entire units, and for shipping expenses beyond those required to actually ship the product. When these overcharges were pointed out to AWI, personnel at AWI first ignored the issue entirely, then became combative and attempted to contradict the plain proof, and finally made the entirely fabricated assertion that they had a verbal agreement with Ms. Openshaw. Quite simply, Ms. Openshaw never agreed to being overcharged.
- 47. After additional digging by GSG's personnel, they discovered that approximately \$48,325 in orders were shown as "processing" in GSG's backend. When GSG's personnel reached out to determine the status of these orders and find out why they were not marked "complete," AWI's personnel first ignored GSG's question. And when they finally responded, they lied. For instance, on one such order, they indicated that everything was shipped and that it had arrived. However, shortly after receiving those assurances, the client for that very same order initiated a chargeback, having never received the product after months of waiting.
- 48. Beyond these orders that were allegedly "processing," there were many orders for which GSG received complaints because the customers only received part of their orders.

- 49. On top of all of this, GSG began seeing indications that AWI was breaching the exclusivity provision of the Agreement by going around GSG to make unauthorized sales of the water ionizer systems to GSG's customers. Worse, after AWI charged these customers and did not fulfill their orders, they looked to GSG for refunds, yet the orders were not even in GSG's system.
- 50. After dealing with these many concerns for the first six months of the Agreement, GSG asked AWI for a formal meeting in April 2020 to discuss how these issues were not only harming GSG's *and* AWI's customers, but also harming the Influence brand.
- 51. When GSG laid out its concerns and attempted to collaborate with AWI to identify ways to improve and chart a path going forward, AWI balked, falling back on its standard approach: deny, fight, and lie.
- 52. After months of failing to fulfill its obligations under the Agreement and a growing list of dissatisfied customers, GSG was forced to shut down the Influence Water website to ensure no additional orders could be made and ultimately not fulfilled.
- 53. GSG communicated to AWI that it could not in good faith allow the website to continue operating and receiving orders when AWI was clearly not functioning.
- 54. Over the course of the next few months, GSG and AWI attempted to work through the arbitration process and resolve this dispute.
- 55. On information and belief, during that period and continuing into the present,
  AWI began taking the new tact of actively harming the Influence brand. For instance, as calls
  from dissatisfied customers continued to roll into the Influence Water designated call line, AWI

personnel would position themselves as entirely separate from Influence Water and indicate that they had received numerous complaints about Influence Water.

- 56. In other words, AWI would act as if it was not affiliated with Influence Water, and did so out of an apparent desire to harm the brand. On information and belief, AWI would tell the customers that Influence Water, and by extension GSG, was at fault and that they were much better off working with AWI.
- 57. Other than to be retaliatory and to cobble GSG's ability to ever use the Influence brand going forward, it is not clear what AWI's motivations may be. What is clear is that any harm to the Influence brand was a direct result of AWI's failure to abide by the Agreement.

### FIRST CLAIM FOR RELIEF (Breach of Contract)

- 58. GSG incorporates by reference the foregoing paragraphs.
- 59. The Agreement is a valid and enforceable contract between GSG and AWI.
- 60. GSG performed its obligations by engaging in significant and labor intensive efforts to generate interest in Influence Water's water ionizer systems. As proof, GSG's efforts resulted in hundreds of thousands of dollars in sales.
  - 61. AWI breached the Agreement in at least the following ways:
    - a. Failing to sustain proper supply chain logistics, including, but not limited
       to, failing to properly organize shipments and deliveries;
    - b. Failing to sustain proper warehouse inventory sufficient to meet customer needs;
    - c. Failing to ship product orders to customers;
    - d. Failing to provide even basic customer support;

- e. Failing to hold GSG harmless for its neglect and bad acts;
- f. Failing to provide sales and customer support for Influence Brands;
- g. Failing to set up a dedicated phone line for Influence Water or answer the phone in the manner prescribed in the Agreement;
- h. Failing to abide by the exclusivity provision of the Agreement.
- 62. GSG has been harmed in numerous ways because of AWI's breach. Namely, GSG has been required to pay thousands of dollars in chargebacks and refunds to customers who never received the products they ordered from AWI; GSG's Influence brand has suffered irredeemable harm; and GSG's relationships with its customers and its reputation has been harmed for using its influence to promote AWI's services.
- 63. Pursuant to the Agreement, and in addition to the amounts owing under the Agreement, GSG is entitled to recover its attorney fees and costs.

### **SECOND CLAIM FOR RELIEF**(Breach of the Covenant of Good Faith and Fair Dealing)

- 64. GSG incorporates by reference the foregoing paragraphs.
- 65. AWI has deprived GSG of the benefit of the Agreement by purposefully undercutting GSG's efforts to create and advance the brand name "Influence" through selling water ionizers.
- 66. Furthermore, AWI deprived GSG of the benefit of the Agreement. Namely, the opportunity to develop its own brand for water ionizers, the ability to create another line of products offered through GSG, and the ability to grow in a new line of GSG products.

67. And when AWI began actively disparaging the Influence brand by wrongly attributing *AWI's* failures to GSG, AWI not only deprived GSG of the benefits of the Agreement, but any future interest of growing the Influence brand.

### **JURY DEMAND**

GSG demands a jury trial on all issues triable by right of jury.

### **PRAYER FOR RELIEF**

WHEREFORE, GSG requests a judgment in its favor and against AWI, including the following:

- A. Compensatory damages in an amount to be determined at trial;
- B. Punitive damages;
- B. Attorney fees and costs, as provided by the Agreement and applicable law; and
- C. Such further and additional relief as the Court may deem just and equitable.

DATED this 29th day of December, 2020.

PARR BROWN GEE & LOVELESS, P.C.

By: <u>/s/ Jonathan C. Williams</u>

Stephen C. Mouritsen Jonathan C. Williams Attorneys for Plaintiff

Plaintiff's address: 51 West Center #345 Orem, UT 84057

## **EXHIBIT A**

The terms and conditions of this Manufacturing Agreement (the "Agreement") are entered into by and between Alkaline Water Ionizers, Inc. ("AWI"), a California Corporation and INFL Products ("IB"), a Utah S Corp.

#### 1. RECITALS

- AWI is in the business of designing, manufacturing and selling water ionizers to its
  customers. AWI wishes to contract with IB to private label a line of water ionizers that will
  be available to IB. AWI will supply support in the marketing of these machines as well as
  supply customer support; warranty service; and other related services.
  - 2. IB desires to sell IB-branded water ionizers procured from AWI. The supplied water ionizers, labels, and printed materials may be collectively referred to as the "Products."
- 3. By this Agreement, the parties desire to specify terms and conditions to govern their business relationship.

#### 2. AGREEMENT

For and in consideration of the mutual execution of this Agreement, the recitals set forth above, and the promises set forth below, the Parties agree as follows:

- Term. The term of this Agreement will commence as of the date of the first webinar and shall continue for two years following the date of the first webinar. Both parties may execute an extension to this contract at the end of the two-year period, and/or extend with revisions. Without that, the terms of this contract will no longer bind either party with the exception of warranty and service obligations of AWI for Products sold.
  - 2. Manufacture of Influencer Water Ionizer. During the Term of this Agreement, IB shall maintain authority and control over water ionizers branded "Influence Water Ionizer" but shall otherwise share authority and control with AWI over the manufacture, marketing, and sale of Products water ionizers, as set forth in this Agreement. AWI will offer advice and guidance on all aspects to ensure the success of the Influencer Water Ionizer.
  - 3. <u>Timeline.</u> IB and AWI will collaborate on the artwork, labels, and printed materials. AWI shall print such materials by Oct. 1, 2019, branded to IB such as boxes, inserts, and labels, model numbers, etc.
  - 4. **AWI duties.** AWI agrees to the following commitments:
    - 1. Sustaining supply chain logistics (organizing shipments, delivery, freight forwarding)
    - 2. Sustaining warehouse inventory with the understanding that AWI manufactures units as units and Products are ordered;
    - 3. Shipment fulfillment: book freight, print labels, automation emails to customers;
    - 4. Paying for warehousing space;

- 5. Paying for warehouse staff;
- 6. Paying for forklift and forklift maintenance, if necessary;
- 7. Ordering pallets and packaging supplies;
- 8. Handling damage with LTL carrier;
- 9. Redesign of the faceplate;
- 10. Redesign of the packaging boxes, and inserts;
- 11. Full factory warranty service from 5 years to Lifetime warranties or as currently (2019 published warranties) stated per model;
- 12. Product support seven days per week. Support will be 52 weeks out of the year, excluding 12 holidays, including but not limited to Thanksgiving, Christmas, New Years, and Easter. IB understands that AWI is not open on Thanksgiving, Christmas, New Years, and Easter and cannot provide support on those holidays.

### 5. Support From AWI. AWI shall:

- 1. Create professional operation manuals for all models;
- 2. Film and produce installation videos for all models;
- Provide exclusive online collateral for landing pages and sales pages;
- 4. Provide sales training for recruitment purposes (up to 2 days) for staff members of IB / contractors for the recruitment of other influencers;
- 5. Provide examples for FAQ section for troubleshooting/common questions.
- 6. Provide a warranty statement example.
- 7. Provide side-by-side comparison examples with competitors.
- 2. **Manufacturer Warranty.** AWI will provide the following warranty on these models:

IB Model #		
115 Lifetime warranty		
113 Lifetime warranty		
I11 Lifetime warranty		
19 Lifetime warranty		
17 10 year warranty		
I5 5 year warranty		

- 6. <u>Accessories</u>. This Agreement shall not apply to any accessories that are sold apart from individual water ionizer units. All accessory sales shall be excluded from this Agreement and shall be considered AWI sales in their entirety. It shall remain the sole responsibility of AWI to upsell and install any water ionizer accessories.
  - Exclusive Agreement. AWI hereby grants full exclusivity to IB to solicit orders for the
    products listed in Exhibit A. Further, AWI covenants that it will not sell like units to any

other third party that could compete with the Products in this Agreement, except as referenced in **Exhibit B**. IB hereby agrees to exclusively obtain its water ionizers from AWI.

### 8. AWI Selling Effort.

- 1. AWI will not compete against IB with all influencers and affiliates except those in Exhibit B. Influencers and affiliates are defined as anyone doing business online through unique tracking links, including bloggers, podcasters, SEO experts, online list owners, and internet and email marketers. A list of current influencers that AWI is already working with is attached as **Exhibit B** to this Agreement and excluded from this clause. During the term of this Agreement, if affiliates or influencers contact AWI, AWI should refer them to Influence Brands.
- B. AWI will not run ads targeting or retargeting IB traffic or the audiences or traffic of our affiliates, on any online platform, including but not limited to Facebook and Google.
- C. AWI shall provide sales and customer support for Influence Brands and set up a dedicated phone line for Influence Water, a subsidiary of IB. AWI's staff will answer the phone, "Influence Alkaline Water."
- D. IB understands that AWI has no control over Amazon or any Amazon affiliates and that AWI's sale or advertisement for sale through Amazon or any Amazon affiliate shall be exempt under this section. AWI will not, or let any other party, list IB products on Amazon.com.
- D. AWI will process all sales from "Influence Water" directly on <a href="https://www.influencewater.com">www.influencewater.com</a>. Including replacement filters.

### 9. **IB Selling Effort**.

- IB shall recruit influencers and affiliates, and train and assist them in optimizing the promotion methods GreenSmoothieGirl (GSG) has been successful using, as well as other marketing methods IB develops.
- B. IB is responsible for creating unique content to avoid duplicate content search engine penalties.
- C. Following the term of this Agreement, IB shall not compete against AWI by selling or by advertising the sale of water ionizers through buying keyword targeted ads, including but not limited to Facebook, Google, and Amazon that would compete with AWI's marketing efforts in AWI's keyword targeted marketing efforts for a term of two-years following this Agreement. IB understands and agrees that it is entering into a limited partnership agreement with AWI and that any attempt to compete with AWI following the term of this Agreement shall be deemed a breach of a fiduciary duty that IB owes to AWI. Any infraction will be reported to IB by AWI and the violation must be

corrected within five business days. This obligation shall survive the termination of this Agreement.

- Conflicts of Interest. During the term of this agreement, IB and AWI will promptly
  disclose any conflict of interest as soon as either party becomes aware of such conflict.
- Option to Renew. Following the term of this Agreement, AWI shall have the option to renew this Agreement for an additional two-year term under the same terms as this Agreement.
- 12. **Confidentiality and Non-Disparagement**. Each Party recognizes that the proprietary information relating to the other Party or any of its affiliates, which each Party may learn is the valuable property of the other Party, including but not limited to manufacturing information, which shall be treated as a proprietary trade secret. Each Party acknowledges the need to preserve the confidentiality and secrecy of such information as well as all information regarding the terms and provisions of this Agreement. This information includes but is not limited to the existence of this Agreement, the designs, drawings, material and manufacturing, trade secrets, as well as financial, business, marketing and product development information (collectively "Confidential Information"). Thus, during and after the Term, neither Party nor its respective officers, directors, employees, agents and representatives will use or disclose any Confidential Information except as necessary for the operation of the business of the Agreement or pursuant to Court Order, or as otherwise required by law or by prior written consent of the Parties. The Parties shall take all reasonable steps necessary to ensure that any permitted use of the Confidential Information preserves such confidentiality and secrecy. AWI and IB agree not to disparage each other. This obligation shall survive the termination of this Agreement.
- 13. Governing Law: Jurisdiction. This Agreement and the rights and obligations of the parties shall be construed, interpreted and enforced pursuant to the laws of the State of Utah. The representative consents to the jurisdiction and venue in Salt Lake City, Utah regarding any disputes between the parties. Prior to any litigation filed between the parties, any disputes arising under this agreement shall be submitted to arbitration before a single arbitrator in accordance with such rules as the parties jointly agree to be conducted in Salt Lake City, UT. If the parties are unable to agree on arbitration procedures, arbitration shall be conducted in accordance with the then applicable commercial arbitration rules of the American arbitration association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. The prevailing party shall be entitled to reasonable attorney's fees and costs.
- 14. <u>Hold Harmless</u>. Each party agrees to hold the other harmless from and against any liability and shall indemnify the other from loss, costs, expenses or damages, however incurred, by reason of any injury, whether to body, property, personal and/or business character, or reputation, sustained by any person or to any person or to property by reason of any act, neglect, default or omission by any of its agents, employees, or other representatives over which either party has no direct control. However, nothing herein is

intended to nor shall it relieve either party from liability for its own willful act, omission or negligence.

- 15. Severability. If any one or more of the provisions of the agreement is held invalid or unenforceable, it is the specific intent of the parties that such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all the other provisions of the agreement and all other applications of such provisions shall not be affected thereby.
- 16. <u>No Waiver.</u> The waiver of any term, condition or provision of this agreement does not constitute a waiver of any other or subsequent term, condition or provision of this agreement for any party.
- 17. <u>Attorney's Fees.</u> Should any litigation commence between the parties concerning this agreement, the prevailing party shall be entitled to recover legal costs, including reasonable attorney's fee.
- 18. Authority to Enter Agreement. This Agreement is the result of arms-length negotiations. The Parties whose signatures are affixed hereto represent and warrant to the each other that the persons executing this Agreement on behalf of such party are duly and fully authorized to do so, that each party, where applicable, is acting pursuant to the power and authority granted by their respective Boards of Directors, and/or principals, and that no further approvals are required to be obtained from any persons or entities.
- 19. Entire Agreement. This Agreement memorializes and constitutes the entire agreement and understanding between the Parties and supersedes and replaces all prior negotiations, proposed agreements and agreements between the Parties, whether written or unwritten. The Parties acknowledge that no person or entity, nor an agent or attorney of any person or entity, has made any promises, representations, or warranties whatsoever, express or implied, which are not expressly contained in the Agreement, and the Parties further acknowledge that they have not executed the Agreement in reliance upon any collateral promise, representation, warranty, or in reliance upon any belief as to any fact or matter not expressly recited in the Agreement.
- 20. <u>Final Agreement</u>. The Parties to this Agreement and each of them, acknowledge that (1) this Agreement and its reduction to final form is the result of extensive good faith negotiations between the parties with the full participation of their counsel; and (2) any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. This Agreement is jointly drafted and shall not be construed against any Party on the ground that the Agreement or any part of it was drafted by one Party rather than the other.
- 21. **Modification.** No modification, waiver, amendment, discharge or change of this Agreement shall be valid unless the same is in writing and signed by the Parties.

- 22. <u>Binding Agreement</u>. This Agreement is and shall be binding upon and shall inure to the benefit of the predecessors, subsidiaries, successors, assigns, parties, agents, officers, employees, associates, legal representatives, heirs, executives and/or administrators of each of the Parties.
- 23. <u>Counterparts.</u> This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one agreement.
- 24. **Further Instruments.** The Parties shall execute and deliver further instruments, documents or papers and shall perform all acts necessary or proper to carry out and effectuate the terms of this Agreement as may be required by the terms of the Agreement or as may be reasonably requested by any party to this Agreement.

#### 3. REPRESENTATIONS AND WARRANTIES

The parties represent and warrant to and agree with each other as follows:

- Each party has received independent legal advice from attorneys of its choice with respect to the advisability of entering into this Agreement and of giving any release by such Agreement.
  - In connection with the execution of this Agreement or the making of the settlement provided for herein, neither party to this Agreement has made or relied upon any statement, representation or promise of any other party in executing this agreement, except as expressly contained herein.
  - IB represents and warrants that, following the term of this Agreement, or any renewal of this Agreement, IB does not intend to compete with AWI in the sale or advertisement for sale of water ionizers.
  - 4. All parties hereto and their counsel have made such investigation of the facts pertaining to the releases contained herein as they deem necessary.

This Agreement has been carefully read by each of the parties and the contents thereof are known and understood by each of the parties. This Agreement is signed freely by each party executing it. IN WITNESS WHEREOF, the Parties executed this Agreement on the dates set forth below.

- 9-24-19

Alkaline Water Ionizers

Thai Cabados

Alkaline Water Corporation

Influence Brands

Robyn Openshaw Influence Brands

### EXHIBIT A Product Guidelines

AWI Model#	IB Model#	Retail	Wholesale
MX-15	I-15	\$4,497	\$1,847
MX-13	I-13	\$3,997	\$1,672
MX-11	I-11	\$2,997	\$1,397
MX-9 It	1-9	\$2,497	\$1,097
MX-7 10	1-7	\$1,997	\$947
MX-5 5	1-5	\$1,497	\$790

EXHIBIT B
AWI'S Current Influencers

Dr. Colbert Diane Kazer