

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN

MICHELLE COFER, et al.	*	CASE NO. 4:22-CV-12759-FKB-KGA
Individually and on behalf of all others similarly situated	*	Judge F. Kay Behm Magistrate Kimberly G. Altman
Plaintiffs	*	
vs.	*	
FINANCIAL EDUCATION SERVICES, INC., et al.	*	
Defendants	*	

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**AMENDED CLASS ACTION COMPLAINT  
(Jury Demand Endorsed Hereon)**

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For their amended complaint against Defendants, Plaintiffs, individually,  
and on behalf of all others similarly situated, say as follows:

PARTIES, JURISDICTION AND VENUE

1. Plaintiff Michelle Cofer (“M. Cofer”) is a natural person residing in Winder, GA.
2. Plaintiff Keedic Cofer (“K. Cofer”) is a natural person residing in Winder, GA.
3. Plaintiff Cortez Jenkins (“C. Jenkins”) is a natural person residing in Atlanta, GA.

4. Plaintiff Tameisha Jenkins (“T. Jenkins”) is a natural person residing in Atlanta, GA.
5. Plaintiff Geraldine Andre (“G. Andre”) is a natural person residing in McDonough, GA.
6. Plaintiff Djivenino Andre (“D. Andre”) is a natural person residing in McDonough, GA.
7. Marlon Hester, Sr. (“Hester”) is a natural person residing in Plainfield, IL.
8. Plaintiff Monika Griffin (“Griffin”) is a natural person residing in Peachtree Corners, GA.
9. Defendant Financial Education Services, Inc. is a Michigan corporation with its principal place of business in Livonia, MI and does business under the assumed name of United Wealth Education (“UWE”). At all relevant times, UWE marketed and sold credit repair services and investment opportunities throughout the United States.
10. Defendant United Wealth Services, Inc. (“UWS”) is a Michigan corporation with its principal place of business in Farmington Hills, MI and does business under the assumed name of United Wealth Education. At all relevant times, UWE marketed and sold credit repair services and investment opportunities throughout the United States.
11. Defendants are closely related entities that are owned, managed, and controlled by a common group of individuals.
12. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(a) and (d)(2).

13. Venue is proper in this Court pursuant to 28 U.S.C. 1391(b) Defendants maintain their principal places of business in this district.

FACTS APPLICABLE TO ALL PLAINTIFFS

14. Defendants, in a joint and coordinated manner, marketed and sold credit repair services and investment opportunities throughout the United States.

15. To market their credit repair services, Defendants recruited individuals who were themselves customers of Defendants to act as sale agents. Those sales agents could then recruit others to work for Defendants as part of a multi-level marketing program. Each agent was required to pay an annual fee to Defendants to retain their status as agent. They were also required to pay a regular monthly membership fee.

16. Defendants represented to Plaintiffs that agents could make substantially more from the marketing plan than it cost to participate as an agent. Defendants have even published an annual disclosure stating the income agents could generate in Defendants' multi-level marketing program. That income ranged from a few thousand dollars up to over \$2 million annually.

17. The agents would then be paid based upon his or her sales, as well as upon the sales of those he or she recruited into the program.

18. Based on an agent's gross sales (both her own and those who worked beneath her), an agent would achieve different ranks within Defendants'

organizations. Each rank came with its own pay structure and benefits—the higher the rank the better the pay structure, bonuses, and benefits.

19. Each named Plaintiff was engaged as an agent of one or both Defendants and were marketing Defendants' services in early 2022. The relationship between Plaintiff and Defendants was ostensibly governed, to an extent, by an Independent Sales Representative Agreement ("Agreement").

However, Plaintiffs were not provided copies of their signed Agreements. The Agreements, if they were signed by Plaintiffs, were signed electronically. Further, Defendants often changed the terms of the Agreement without Plaintiffs' knowledge or consent. Plaintiffs cannot be certain whether they actually signed an Agreement with Defendants or which version of the Agreement they signed.

20. The Agreement did not, however, state how Plaintiffs' commissions and bonuses were to be calculated and paid. Commissions and bonuses were calculated using an internally published scale maintained by Defendants.

21. The Agreement contains a choice of law provision designating Michigan law as governing the relationship of the parties.

22. In May 2022 the Federal Trade Commission filed suit against Defendants, among others, in the United States District Court for the Eastern District of Michigan, Case No. 2:22-cv-11120-BAF-APP alleging a variety of violations of federal law ("FTC Action").

23. As part of the FTC Action, the district court issued a temporary restraining order on May 24, 2022 (the “TRO”), shutting down all Defendants’ operations, freezing their assets, and appointing a receiver.
24. Upon the issuance of the TRO, Defendants informed their higher-ranking agents, including some of Plaintiffs, that they did not expect Defendants would be permitted to recommence their business operations and encouraged the agents to seek work elsewhere, including with competing companies.
25. The Plaintiffs whom Defendants did not directly inform about the companies’ apparent demise were notified by persons who were directly informed.
26. As a result of the TRO, the Defendants’ statements, and the cessation of Defendants’ operations, virtually all of Defendants’ sales agents sought employment elsewhere. Many went to work for companies directly competing with Defendants, such as MWR Financial, Novae, Real Rise, Credit Repair Cloud, and Credit Cleanse. Those who had teams of sales agents beneath them, such as Plaintiffs, often took those teams with them to their new company. This was done with Defendants’ full knowledge and blessing.
27. On June 30, 2022, the district court in the FTC Action held a hearing on the FTC’s request for preliminary injunction. And on July 18, 2022, the district court issued an order overruling the FTC’s request, vacating the

TRO, and converting the receivership to a monitorship. In other words, Defendants were permitted to recommence their business operations, subject to certain conditions imposed by the Court.

28. Thus, in approximately early August 2022, Defendants resumed business.

Many of Defendants' former agents, including Plaintiffs, rejoined

Defendants, bringing some or all their agent teams with them.

29. Notwithstanding the termination of the TRO, the FTC Action remains pending, and on March 27, 2023, the FTC filed its Amended Complaint in which it alleges Defendants committed numerous violations of the FTC Act, the Credit Repair Organizations Act, Telemarketing and Consumer Fraud and Abuse Prevention Act, the Fair Credit Reporting Act, and the Gramm-Leach-Bliley Act, in connection with Defendants' marketing and sale of credit repair services and investment opportunities.

#### FACTS SPECIFIC TO MICHELLE COFER

30. M. Cofer began her business relationship with Defendants around April 21, 2017. As was contemplated under Defendants' business model, she built a large sales team over many years and reached the rank of Executive Ambassador by spring 2022. For the calendar year 2021, her gross income from Defendants was approximately \$169,000.

31. Like other agents, M. Cofer left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered. She entered into an

arrangement with MWR Financial along with many agents from her team.

32. When Defendants resumed business operations in August 2022, M. Cofer returned to Defendants. However, like many other agents, she also pursued business arrangements with other companies. One company she developed an arrangement with was Debt Cleanse, a licensed legal referral plan that focuses on assisting consumers with credit and consumer law problems.

33. In September 2022, when she sought to enroll a new member in UWE, she learned that her access to Defendants' computer systems had been terminated, preventing her from the entire business platform on which Defendants' business operated.

34. When M. Cofer confronted management about the termination of her access, she was informed that her arrangement with Debt Cleanse violated a company policy. However, many other agents still working with Defendants had similar business arrangements with other companies that compete directly with Defendants, and none of these agents have been terminated by Defendants.

35. Despite her termination, many of M. Cofer's long-time "down-stream" members remained customers and/or agents of Defendants. M. Cofer has not been paid the commissions and bonuses attributable by those customers and/or agents.

36. Defendants' termination of M. Cofer was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants' violation of federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants' termination of M. Cofer in September 2022 was arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all agents. Further, Defendants selectively enforced such provisions against M. Cofer for the purpose of avoiding paying fees and commissions rightfully owed to her.

37. Since she was wrongfully terminated, M. Cofer has not received any of the fees, commissions, or bonuses she was entitled to.

38. Under the Agreement, because of her rank with Defendants' organizations, upon her wrongful termination by Defendants, M. Cofer became entitled to liquidated damages equal to her gross compensation from Defendants for the prior 24 months.

#### FACTS SPECIFIC TO KEEDIC COFER

39. K. Cofer began his business relationship with Defendants in 2017. As was contemplated under Defendants' business model, he built a sales team and reached the rank of Vice President by spring 2022. For the calendar year 2021, his gross income from Defendants was approximately \$100,000.



40. Like other agents, K. Cofer left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered.
41. When Defendants resumed business operations in August 2022, K. Cofer returned to Defendants. However, like many other agents, he also pursued business arrangements with other companies. One company he developed an arrangement with was Debt Cleanse.
42. In September 2022, when he learned that his access to Defendants' business platform had been terminated because of his relationship with Debt Cleanse. However, many other agents still working with Defendants had similar business arrangements with other companies that compete directly with Defendants, and none of these agents have been terminated by Defendants.
43. Despite his termination, many of K. Cofer's long-time "down-stream" members remained customers and/or agents of Defendants. K. Cofer has not been paid the commissions and bonuses attributable by those customers and/or agents.
44. Defendants' termination of K. Cofer was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants' violation of federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants' termination of K. Cofer in September 2022 arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all

agents. Further, Defendants selectively enforced such provisions against K. Cofer for the purpose of avoiding paying fees and commissions rightfully owed to him.

45. Since he was wrongfully terminated, K. Cofer has not received any of the fees, commissions, or bonuses he was entitled to.

46. Under the Agreement, because of his rank with Defendants' organizations, upon his wrongful termination by Defendants, K. Cofer became entitled to liquidated damages equal to his gross compensation from Defendants for at least the prior 12 months.

#### FACTS SPECIFIC TO CORTEZ JENKINS

47. C. Jenkins began his business relationship with Defendants in November 2017. As was contemplated under Defendants' business model, he built a sales team and reached the rank of Vice President by spring 2022. For the calendar year 2021, his gross income from Defendants was approximately \$50,000.

48. Like other agents, C. Jenkins left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered.

49. When Defendants resumed business operations in August 2022, C. Jenkins returned to Defendants. However, like many other agents, he also pursued business arrangements with other companies. One company he developed an arrangement with was Debt Cleanse.

50. On approximately October 12, 2022, C. Jenkins received an email from “Robert F.,” UWE’s Compliance Manager, notifying him that his “back-office access” had been terminated because of a violation of Defendants Policies and Procedures relating to engaging in other network marketing programs. However, many other agents still working with Defendants had similar business arrangements with other companies that compete directly with Defendants, and none of these agents have been terminated by Defendants.

51. Included in the October 12, 2022 email to C. Jenkins Sue Griffin, an UWE executive. Ms. Griffin responded to the email, perhaps not realizing she was responding to C. Jenkins, as well, with: “Everyone of these agents will end up being terminated.”

52. Despite her termination, many of C. Jenkins’s long-time “down-stream” members remained customers and/or agents of Defendants. C. Jenkins has not been paid the commissions and bonuses attributable by those customers and/or agents.

53. Defendants’ termination of C. Jenkins was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants’ violation of federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants’ termination of C. Jenkins in October 2022 was arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all

- agents. Further, Defendants selectively enforced such provisions against C. Jenkins for the purpose of avoiding paying fees and commissions rightfully owed to him.
54. Since he was wrongfully terminated, C. Jenkins has not received any of the fees, commissions, or bonuses he was entitled to.
55. Under the Agreement, because of his rank with Defendants' organizations, upon his wrongful termination by Defendants, C. Jenkins became entitled to liquidated damages equal to his gross compensation from Defendants for at least the prior 12 months.

#### FACTS SPECIFIC TO TAMEISHA JENKINS

56. T. Jenkins began her business relationship with Defendants in December 2017. As was contemplated under Defendants' business model, she built a modest sales team and reached the rank of Sales Director by spring 2022. For the calendar year 2021, her gross income from Defendants was approximately \$20,000.
57. Like other agents, T. Jenkins left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered.
58. When Defendants resumed business operations in August 2022, T. Jenkins returned to Defendants. However, like many other agents, she also pursued business arrangements with other companies. One company she developed an arrangement with was Debt Cleanse.

59. On approximately October 12, 2022, T. Jenkins learned that her “back-office access” had been terminated because of a violation of Defendants Policies and Procedures relating to engaging in other network marketing programs. However, many other agents still working with Defendants had similar business arrangements with other companies that compete directly with Defendants, and none of these agents have been terminated by Defendants.

60. Despite her termination, many of T. Jenkins’s long-time “down-stream” members remained customers and/or agents of Defendants. T. Jenkins in has not been paid the commissions and bonuses attributable to those customers and/or agents.

61. Defendants’ termination of T. Jenkins was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants’ violation of federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants’ termination of T. Jenkins in October 2022 was arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all agents. Further, Defendants selectively enforced such provisions against T. Jenkins for the purpose of avoiding paying fees and commissions rightfully owed to her.

62. Since she was wrongfully terminated, T. Jenkins has not received any of the fees, commissions, or bonuses she was entitled to.

63. Under the Agreement, because of her rank with Defendants' organizations, upon her wrongful termination by Defendants, T. Jenkins became entitled to liquidated damages equal to her gross compensation from Defendants for at least the prior 12 months.

FACTS SPECIFIC TO MARLON HESTER, SR.

64. Hester began his business relationship with Defendants in December 2016. As was contemplated under Defendants' business model, he reached the rank of Senior Vice President by spring 2022. For the calendar year 2021, his gross income from Defendants was approximately \$200,000.

65. Like other agents, Hester left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered.

66. When Defendants resumed business operations in August 2022, Hester returned to Defendants. However, like many other agents, he also pursued business arrangements with other companies. One company he developed an arrangement with was Debt Cleanse.

67. On September 18, 2022, Hester noticed that his back-office access had been terminated. He was informed by one of Defendants' founders, Parimal Naik, that because he had joined Debt Cleanse, he was being terminated. When Hester told Naik that many of Defendants' agents were working with other companies, Naik responded that working with other companies was allowed, just not Debt Cleanse. Naik also stated the reason for the termination "is personal now."

68. Despite his termination, many of Hester's long-time "down-stream" members remained customers and/or agents of Defendants. Hester has not been paid the commissions and bonuses attributable by those customers and/or agents.

69. Defendants' termination of Hester was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants' violation of federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants' termination of Hester in September 2022 was arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all agents. Further, Defendants selectively enforced such provisions against Hester for the purpose of avoiding paying fees and commissions rightfully owed to him.

70. Since he was wrongfully terminated, Hester has not received any of the fees, commissions, or bonuses he was entitled to.

71. Under the Agreement, because of his rank with Defendants' organizations, upon his wrongful termination by Defendants, Hester became entitled to liquidated damages equal to his gross compensation from Defendants for at least the prior 24 months.

#### FACTS SPECIFIC TO GERALDINE ANDRE

72. G. Andre began her business relationship with Defendants in November 2018. As was contemplated under Defendants' business model, she built a

modest sales team and reached the rank of Executive Sales Director by spring 2022. For the calendar year 2021, her gross income from Defendants was approximately \$40,000.

73. Like other agents, G. Andre left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered.

74. When Defendants resumed business operations in August 2022, G. Andre returned to Defendants. However, like many other agents, she also pursued business arrangements with other companies. One company she developed an arrangement with was Debt Cleanse.

75. On approximately October 12, 2022, G. Andre received an email from Robert F. informing her that her “back-office access” had been terminated because of a violation of Defendants Policies and Procedures relating to engaging in other network marketing programs. However, many other agents still working with Defendants had similar business arrangements with other companies that compete directly with Defendants, and none of these agents have been terminated by Defendants.

76. Despite her termination, many of G. Andre’s long-time “down-stream” members remained customers and/or agents of Defendants. G. Andre has not been paid the commissions and bonuses attributable by those customers and/or agents.

77. Defendants’ termination of G. Andre was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants’ violation of



federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants' termination of G. Andre in October 2022 was arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all agents. Further, Defendants selectively enforced such provisions against G. Andre for the purpose of avoiding paying fees and commissions rightfully owed to her.

78. Since she was wrongfully terminated, G. Andre has not received any of the fees, commissions, or bonuses she was entitled to.

79. Under the Agreement, because of her rank with Defendants' organizations, upon her wrongful termination by Defendants, G. Andre became entitled to liquidated damages equal to her gross compensation from Defendants for at least the prior 12 months.

#### FACTS SPECIFIC TO DJIVENINO ANDRE

80. D. Andre began his business relationship with Defendants in March 2019. As was contemplated under Defendants' business model, he built a modest sales team and reached the rank of Sales Director by spring 2022. For the calendar year 2021, his gross income from Defendants was approximately \$10,000.

81. Like other agents, D. Andre left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered.

82. When Defendants resumed business operations in August 2022, D. Andre returned to Defendants. However, like many other agents, he also pursued business arrangements with other companies. One company he developed an arrangement with was Debt Cleanse.

83. On approximately October 12, 2022, D. Andre learned that his “back-office access” had been terminated because of a violation of Defendants Policies and Procedures relating to engaging in other network marketing programs. However, many other agents still working with Defendants had similar business arrangements with other companies that compete directly with Defendants, and none of these agents have been terminated by Defendants.

84. Despite his termination, many of D. Andre’s long-time “down-stream” members remained customers and/or agents of Defendants. D. Andre has not been paid the commissions and bonuses attributable by those customers and/or agents.

85. Defendants’ termination of D. Andre was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants’ violation of federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants’ termination of D. Andre in October 2022 was arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all agents. Further, Defendants selectively enforced such provisions against

- D. Andre for the purpose of avoiding paying fees and commissions rightfully owed to him.
86. Since he was wrongfully terminated, D. Andre has not received any of the fees, commissions, or bonuses he was entitled to.
87. Under the Agreement, because of his rank with Defendants' organizations, upon his wrongful termination by Defendants, D. Andre became entitled to liquidated damages equal to his gross compensation from Defendants for at least the prior 12 months.

#### FACTS SPECIFIC TO MONIKA GRIFFIN

88. Griffin began her business relationship with Defendants in February 2017. As was contemplated under Defendants' business model, she built a sales team and reached the rank of Vice President by spring 2022. For the calendar year 2021, her gross income from Defendants was approximately \$42,000.
89. Like other agents, Griffin left Defendants in May 2022 when the FTC Action was commenced and the TRO was entered.
90. When Defendants resumed business operations in August 2022, Griffin returned to Defendants. However, like many other agents, she also pursued business arrangements with other companies. One company she developed an arrangement with was Debt Cleanse.
91. On approximately October 11, 2022, Griffin learned that her "back-office access" had been terminated when she tried to log in to the system. The

following day she learned she had been terminated because of a violation of Defendants Policies and Procedures relating to engaging in other network marketing programs. However, many other agents still working with Defendants had similar business arrangements with other companies that compete directly with Defendants, and none of these agents have been terminated by Defendants.

92. Despite her termination, many of Griffin's long-time "down-stream" members remained customers and/or agents of Defendants. Griffin has not been paid the commissions and bonuses attributable by those customers and/or agents.

93. Defendants' termination of Griffin was wrongful for two reasons. First, the termination in May 2022 was the result of Defendants' violation of federal law, as outlined in the FTC Action, and in breach of its duties under the Agreement. Second, Defendants' termination of Griffin in October 2022 was arbitrary and capricious in that Defendants claimed to be enforcing a contract provision which they did not apply uniformly to all agents. Further, Defendants selectively enforced such provisions against Griffin for the purpose of avoiding paying fees and commissions rightfully owed to him.

94. Since she was wrongfully terminated, Griffin has not received any of the fees, commissions, or bonuses she was entitled to.

95. Under the Agreement, because of her rank with Defendants' organizations, upon her wrongful termination by Defendants, Griffin became entitled to liquidated damages equal to her gross compensation from Defendants for at least the prior 12 months.

#### FACTS SPECIFIC TO THE CLASS

96. All allegations contained in paragraphs 1 through 76 above are incorporated herein by reference.

97. Plaintiff brings this action pursuant to Fed R. Civ. P. 23 on behalf of a class of all similarly situated individuals and entities (the "Class"), defined as follows:

All Defendants' sales agents who were terminated by Defendants because of their association with Debt Cleanse and who were owed monies upon their termination and thereafter.

98. **Numerosity:** Upon information and belief, the Class is so numerous that joinder of all members is impractical. Although Plaintiff does not know the exact size of the Class at this time, Plaintiff estimates the number of Class members to exceed 40 based on information available as of this filing. The exact number of members in the Class can be ascertained through discovery and can easily be identified through Defendants' records or by other means.

99. **Commonality and Predominance:** All members of the Class have been subject to and affected by a uniform course of conduct. Specifically, all Class members were wrongfully terminated by Defendants through a systematic process that targeted only those agents who were associated with Debt

Cleanse. There are questions of law and fact common to the proposed Class that predominate over any individual questions.

100. **Typicality:** Plaintiffs' claims are typical of the Class. Plaintiffs' and Class members' claims arise from the same type of conduct by Defendants. The injuries suffered by the Class members is the same type suffered by Plaintiffs.

101. **Adequacy:** Plaintiffs will adequately represent the interests of the Class and do not have any interests adverse to the Class. Plaintiffs have retained competent counsel experienced in complex class action litigation.

102. **Superiority:** A class action is the superior method for the quick and efficient adjudication of this controversy because questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy. As noted above, Plaintiff's and Class members' claims are all based on the same legal and factual issues.

## COUNT I

### DECLARATORY JUDGMENT

103. All allegations contained in paragraphs 1 through 102 above are incorporated herein by reference.

104. Each Plaintiff worked as an agent for one or both the Defendants, performed agreed upon services, and were paid by Defendants for those services up until approximately the time of the TRO.

105. Because Defendants did not provide copies of their Agreements to Plaintiffs, if such Agreements were actually signed, and because Defendants often changed the provisions of the Agreement, and because the Agreement did not include any contractual provision for the payment of commissions and bonuses, Plaintiffs do not know whether the Agreement contains the terms of their contract for payment with Defendants.

106. As outlined above, Plaintiffs and Defendants have a present, actual dispute as to their rights and obligations to each other relative to their business relations.

107. Plaintiffs believe that Defendants owe them for commissions and bonuses wrongfully denied by Defendants, in part, to avoid paying Plaintiffs what they rightfully earned.

108. Plaintiffs are entitled to a judicial declaration of their contractual rights and obligations as to Defendants.

## COUNT II

### VIOLATION OF THE MICHIGAN CONSUMER PROTECTION ACT

109. All allegations contained in paragraphs 1 through 108 above are incorporated herein by reference.

110. The multi-level marketing plan operated by Defendants constitutes a “business opportunity” within the meaning of M.C.L. 445.902(a) because it enabled the Plaintiffs to derive income from the program that exceeded the price paid for the business opportunity.

111. As part of the compensation structure for agents, Defendants represented that they would waive monthly or annual fees charged to agents if those agents recruited a certain number of new agents into the program. Defendants also offered promotions, contests, and incentives to agents for their production.

112. Because Defendants did not provide copies of their Agreements to Plaintiffs, if such Agreements were actually signed, and because Defendants often changed the provisions of the Agreement, and because the Agreement did not include any contractual provision for the payment of commissions and bonuses, Defendants' multi-level marketing program violates M.C.L. 445.903(1)(n) by causing a probability of confusion or of misunderstanding as to the legal rights, obligations, or remedies of Plaintiffs.

113. As a result of Defendants' actions, Plaintiffs are uncertain of their rights and obligations regarding Defendants and filed this suit to obtain a determination of those rights and obligations.

114. In May 2022, Defendants waived their rights under the Agreement regarding enforcement of any non-compete provision in the Agreement, and were estopped from enforcing such provision, by encouraging and permitting agents to work for multi-level marketing businesses that competed with Defendants.

115. In August 2022, Defendants again waived their rights under the Agreement regarding enforcement of any non-compete provision in the Agreement, and were estopped from enforcing such provision, by encouraging and permitting



agents to work for other multi-level marketing businesses that competed with Defendants while also working for Defendants.

116. Notwithstanding these waivers, Defendants nonetheless terminated Plaintiffs relationship with Defendants because they had pursued a relationship with a particular competitor.

117. Defendants' actions violated M.C.L. 445.903(1)(n) by causing a probability of confusion or of misunderstanding as to the legal rights, obligations, or remedies of Plaintiffs.

118. In reliance on Defendants' representations, Plaintiffs sought employment with Defendants' competitors and moved their teams of customers and agents to those competitors. Then, when Defendants reopened, Plaintiffs moved themselves and their teams back to Defendants under the belief that they had not committed any violation of any contractual duty owed to Defendants.

119. As a result of Defendants' violations of law, Plaintiffs and the Class members have been damaged by spending time and energy in rejoining Defendants, terminating relations with other business, interference with their individual businesses, and denial of the benefit of their contracts with Defendants and are therefore entitled to damages pursuant to M.C.L. 445.911.

### COUNT III

#### BREACH OF CONTRACT

120. All allegations contained in paragraphs 1 through 119 above are incorporated herein by reference.

121. Upon the termination of Plaintiffs' business in May 2022, Defendants waived their rights under the Agreement regarding enforcement of any non-compete provision in the Agreement, and were estopped from enforcing such provision, by encouraging and permitting agents to work for multi-level marketing businesses that competed with Defendants.

122. Upon resuming their business operations in August 2022, Defendants again waived their rights under the Agreement regarding enforcement of any non-compete provision in the Agreement, and were estopped from enforcing such provision, by encouraging and permitting agents to work for other multi-level marketing businesses that competed with Defendants while also working for Defendants.

123. Defendants have breached their obligations under the Agreement by enforcing a contractual provision it expressly waived.

124. Defendants have breached their obligations by selectively, arbitrarily, and capriciously enforcing a contractual provision they have expressly waived against Plaintiffs and the Class members.

125. Because of Defendants breach of its contractual obligations to Plaintiffs and the Class members, Plaintiffs and the Class have been damaged.

#### COUNT IV

#### TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIP

126. All allegations contained in paragraphs 1 through 125 above are incorporated herein by reference.

127. Plaintiffs and the Class members created and maintained valid business relationships with the agents on their teams.

128. Defendants knew of the existence of those relationships, and in fact, their business models relied on those relationships.

129. By terminating Plaintiffs and the Class members, Defendants interfered with the relationships between Plaintiff and the Class members and the agents on their teams.

130. When Plaintiffs were terminated by Defendants, they lost the ability to communicate and interact with their established teams through Defendants' programs and systems. Also, Defendants reassigned Plaintiff's team members among Defendants remaining agents who were not terminated. Those agents then reaped the benefit of the commissions and bonuses generated by Plaintiffs' former team members even though much of that business was originated under Plaintiffs.

131. Defendants' actions were wrongful because they were done in breach of the Agreement, were taken after waiver of the contractual basis for the terminations and were taken in an arbitrary and capricious manner.

132. Defendants' actions were taken in bad faith and with malice. The text comment by Parimal Naik to Hester that the decision "is personal now" indicates specific hostility that is not based on rational, business decision-making.

133. By terminating Plaintiffs and the Class members, Defendants destroyed the teams that Plaintiffs and the Class members had built. In many cases,

Defendants retained or attempted to retain the agents on Plaintiffs' teams, depriving Plaintiffs of the benefit of their business relationships with those agents.

134. As a result of Defendants' conduct, Plaintiffs and the Class members have been damaged.

## COUNT V

### BREACH OF CONTRACT

135. All allegations contained in paragraphs 1 through 134 above are incorporated herein by reference.

136. Once the TRO was entered, Defendants stopped paying Plaintiffs and the Class members for fees, commissions, bonuses, and benefits that had accrued prior to entry of the TRO.

137. Defendants have not made complete payment of such fees, commissions, bonuses, and benefits since it has resumed business.

138. Defendants failure to pay Plaintiffs and the Class members everything to which they were entitled under the Agreement or other contract, as determined by the Court, is a breach of contract that has harmed Plaintiffs and the Class.

WHEREFORE, Plaintiffs ask the Court to award the following relief:

A. Finding that this action satisfies the prerequisites for maintenance as a class action set forth in Fed. R. Civ. P. 23, and certifying the Class defined herein;

B. Designating Plaintiffs as representatives of the Class and their undersigned counsel as Class Counsel;

C. Entering judgment declaring the relative rights and obligations of the parties as to each other;

D. Entering monetary judgment in favor of Plaintiffs and the Class and against Defendant;

E. Issuing an order awarding Plaintiff and Class members their damages in an amount greater than \$5,000,000, plus interest as provided for by applicable law;

F. Awarding Plaintiff reasonable attorney's fees and costs; and

G. Granting all such further and other relief as the Court deems just and appropriate.

Dated: March 27, 2023

Respectfully submitted,

/s/ Brian D. Flick  
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Jury Demand

Plaintiffs demand a trial by jury as to all issues presented herein.

/s/ Brian Flick

CERTIFICATE OF SERVICE

The undersigned attorney hereby certifies that on March 27, 2023, the foregoing was caused to be filed with the Court by electronic filing protocols, and that same will therefore be electronically served upon all attorneys of record registered with the Court's CM/ECF system.

/s/ Brian D. Flick

Brian D. Flick

# ClassAction.org

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