IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA

Monat Global Corp, a Florida Corporation, Plaintiff, v. Mags Kavanaugh and California Beauty Studios, Inc. Defendants.	)	Case No.

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MIDDLE DISTRICT OF FLORIDA
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COMPLAINT
INJUNCTIVE RELIEF SOUGHT

Monat Global Corp, by its attorneys, Arnstein & Lehr LLP, complains against Defendants Mags Kavanaugh and California Beauty Studios, Inc. ("Beauty Studios"), as follows:

Introduction

1. Monat Global Corp. ("Monat") is a world-class designer, manufacturer, and distributor of hair care and personal products throughout the United States and Canada. In recent years, Monat's business has grown rapidly, causing competitors in the industry to lose market share, and resort to underhanded business practices. Unable to compete fairly, certain competitors have begun making false claims about Monat's products, the company, and its executives.

2. Kavanaugh owns a salon named Beauty Studios in Clearwater, Florida. Beauty Studios sells hair care products that compete with Monat's. Kavanaugh has repeatedly and falsely claimed that Monat's products cause balding, hair loss, and damage the hair. Kavanaugh has claimed that Monat is "just like Wen," a seller of

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$400

cosmetics products that was subject to 1,386 U.S. Food and Drug Administration ("FDA") Adverse Event Reports, 21,000 customer complaints, and that recently settled a class action lawsuit for over $25 million based on claims of balding and hair loss. Kavanaugh also falsely claimed that Monat is involved in various lawsuits that do not exist, for improprieties that never occurred.

3. Kavanaugh made these false claims for her own personal and financial gain, to increase Beauty Studios' product sales, to prevent would-be customers from buying Monat products, and to prevent would-be sales representatives from joining Monat. Kavanaugh's campaign of lies has unfairly damaged Monat's reputation, the market perception of its products, and its business relationships.

Parties to this Action

4. Monat is a Florida corporation, with its principal place of business in Doral, Florida.

5. Kavanaugh is a resident of Clearwater, Florida, where she owns and operates her salon, Beauty Studios.

6. California Beauty Studios, Inc. ("Beauty Studios") is a Florida corporation, with its principal place of business in Clearwater, Florida. Beauty Studios sells hair care products that compete with Monat's products.

Jurisdiction and Venue

7. This Court has subject matter jurisdiction over Monat's Lanham Act claim because it arises under federal law. 15 U.S.C. § 1125.

8. This Court has supplemental jurisdiction over Monat's ancillary state law

claims because they arise from the same set of operative facts as the federal Lanham Act claim.

9. Venue is proper in the Middle District of Florida pursuant to 28 U.S.C. § 1391 because Kavanaugh resides in this district, made the false and damaging claims here, and owns and operates Beauty Studios here.

Facts Common to All Counts

Monat's Business

10. Monat designs, manufactures, and distributes hair care and personal products throughout the United States and Canada.

11. Monat sells its products using a direct sales model.

12. Under the direct sales model, Monat engages a number of independent sales representatives, referred to as "Market Partners," to market and distribute Monat's products.

13. Monat provides commissions and other financial incentives to its Market Partners for sales they make, and for purchases and sales made by new and additional Market Partners that they recruit.

14. Among other benefits, the direct sales model allows Monat to create closer, more meaningful, and longer lasting relationships between its customers and the individuals from whom they purchase their products (*i.e.*, the Market Partners).

15. False and misleading claims about Monat and the products it sells:

a. negatively affect Monat's business relationships with its Market Partners;

b. negatively affect Market Partners' relationships with their own existing and prospective customers;

c. negatively affect Market Partners' ability to recruit new Market Partners; and

d. negatively affect Monat's overall brand, its reputation in the cosmetics and hair care industry, and its ability to sell its products generally.

Kavanaugh's Business

16. Kavanaugh owns a teaching salon, Beauty Studios, where Kavanaugh sells products that compete with Monat's products.

17. Kavanaugh operates a promotional and purported informational website, askMags.com, where she posts articles and hosts a forum concerning cosmetic and hair care products (*accessed* at www.askmags.com).

18. Kavanaugh uses askMags.com to promote Beauty Studios.

19. On askMags.com, Kavanaugh represents that she is the International Brand Ambassador for a company named Compagnia Del Colore, which sells and markets hair care and personal products in the United States.

20. Kavanaugh promotes Beauty Studios, her website, and her own personal brand through Facebook, where she has 5,000 "friends" (many of whom are hair stylists, or are involved in the hair care industry).

21. Kavanaugh is also a member of a number of private Facebook pages and private messaging groups concerning the cosmetic and hair care industry.

Wen® by Chaz Dean, Inc.

22. On many occasions, Kavanaugh has falsely represented that Monat's products are similar, or even identical, to Wen® Hair Care products made by Chaz Dean,

Inc. ("Wen").

23. Wen has been subject to numerous FDA complaints, customer complaints, and a consumer class action lawsuit arising from allegations of hair loss, balding, hair breakage, itching, and rash. Due to such events, Wen is infamous in the hair care industry.

24. On its website, the FDA reported that as of July 7, 2016, it had:

> received 127 adverse event reports directly from customers about Wen by Chaz Dean Cleansing Conditioner products, ***the largest number of reports ever associated with any cosmetic hair cleansing product***, including cleansing conditioners. FDA is also investigating more than 21,000 complaints reported directly to Chaz Dean, Inc. and Guthy Renker, LLC that FDA learned of during inspections of manufacturing and distribution facilities.

(WEN by Chaz Dean Cleansing Conditioners: FDA Statement - Investigation of Adverse Event Reports, *accessed* at https://www.fda.gov/safety/medwatch/safetyinformation/safetyalertsforhumanmedicalproducts/ucm511890.htm (emphasis added).)

25. The FDA released another statement about Wen on November 15, 2016, stating that "consumers should be aware of reactions reported in association with the use of WEN," and that the FDA had, as of that date, "received 1,386 adverse event reports directly from consumers about WEN." (Statement on FDA Investigation of WEN by Chaz Dean Cleansing Conditioners, *accessed* at https://www.fda.gov/cosmetics/productsingredients/products/ucm511626.htm.)

26. On October 28, 2016, the District Court for the Central District of California preliminarily approved a $26,250,000 settlement of class action consumer claims alleging that Wen products caused hair loss and balding. *Friedman v. Guthy-Renker LLC, et al.*, Case No. 2:14-cv-06009-ODW-AGR (C.D. Cal. Oct. 28, 2016) ([Dkt. # 178]).

Kavanaugh's False Claims

27. Beginning in 2017, Kavanaugh launched an internet smear campaign against Monat, its products, and its executives.

28. On March 16, 2017, Kavanaugh falsely stated that she sued Monat for misappropriating her name to promote its product. On Facebook, Kavanaugh stated, "I'm in a lawsuit right now with Monat for using my name in their [sic] promoting their product, so I will NOT talk about that non-pro company, sorry."

29. Kavanaugh has never filed any such lawsuit, Monat previously filed no such lawsuit, and no such lawsuit exists.

30. In about April 2017, Kavanaugh falsely stated on her public Facebook page, which reaches at least 5,000 individuals, that Monat products have "an identical formulation set up [to Wen] – a bunch of beneficial oils, extracts [sic] etc. [sic] but also artificial film formers" ("April 2017 Post").

31. A number of individuals commented, "liked," and "reacted" to Kavanaugh's April 2017 Post.

32. Contrary to Kavanaugh's April 2017 Post, the ingredients in Monat products are markedly different from Wen products.

33. Most significantly, Monat products do not contain methylisothiazolinone ("Iso") and methylchloroisothiazolinone ("Chloroiso"), two preservatives that are sensitizing allergens contained in the allegedly defective Wen products, and were believed to have caused the hair loss and scalp irritation that so many individuals complained about.

34. In addition, the allegedly defective Wen products did not contain water or surfactants—critical ingredients in shampoos and conditioners—which cleanse the hair and prevent product "build up." Monat products contain both water and surfactants.

35. Unlike Wen's products, the FDA has never received a single Adverse Event Report about Monat's products.

36. In the April 2017 Post, Kavanaugh also represented that using Monat products will create "a coating of extremely durable artificial film formers and various oils on the scalp . . . [which] will trap oils, dirt, fungus, bacteria, dead skin, etc. It will create a [sic] imbalance, and ***over time, this can permanently effect [sic] the follicle, as in permanent hair loss.***" (emphasis added).

37. To the contrary, there is no evidence, scientific or otherwise, that Monat products, when used properly, will permanently damage the hair follicle, or lead to permanent hair loss.

38. Nor is there any basis to believe Monat products trap oils, dirt, fungus, bacteria, or dead skin on the scalp.

39. In her April 2017 Post, Kavanaugh also falsely represented that Monat products contain silicone, along with ingredients that contain carcinogens and reproductive toxins.

40. Before taking products to market, Monat engages outside consultants who conduct clinical safety tests on Monat's products to ensure they do not adversely affect the skin or hair.

41. Monat's products have all successfully passed the clinical safety tests to

which they have been subjected.

42. In a separate April 17, 2017 Facebook post, Kavanaugh falsely stated that Monat advertises that its "products can grow 5 inches of hair in 4 months, but remember hair grows at a rate of ½ inch per month" ("April 17, 2017 Post").

43. Monat has never claimed or represented that its products can grow hair 5 inches in 4 months.

44. In the same April 17, 2017 Post, Kavanaugh stated that Monat "illegally used [her] name and told people [she] recommended [Monat products], so now [she's] in a huge lawsuit with these idiot scammers."

45. Thirty-one people "reacted" to Kavanaugh's April 17, 2017 Post.

46. Again, no such lawsuit exists or has ever been initiated.

47. On May 10, 2017, Kavanaugh posted a Facebook "comment" comparing Monat to Wen, and falsely stated that Monat is being sued by a "Pro" company for stealing certain intellectual property ("May 10, 2017 Post").

48. In the May 10, 2017 Post, Kavanaugh stated:

> ***Monat is being sued by a Pro company that they [sic] stole a models [sic] hair picture and used it as their own.*** This MLM company is NOT a pro product, it's [sic] ingredient deck shows it's filled with oil, ***remember the WEN problem well this company is having the same problems now, steer clear of Monat!***
> Your clients could sell this to your other clients, why in gods [sic] name would you have this in your salon???

(emphasis added).

49. At least 4 individuals "liked" Kavanaugh's May 10, 2017 Post, and one person commented "AMEN!!!!"

50. Monat has never been sued by a "Pro company," or any other company, for stealing a model's "hair picture."

51. Monat is not experiencing the same problems as Wen, including but not limited to:

a. being subject to 1,386 Adverse Event Reports to the FDA (the largest number of reports ever associated with any cosmetic hair cleansing product);

b. being subject to a full-fledged FDA investigation into its products as a result of the massive number of Adverse Event Reports;

c. receiving 21,000 customer complaints;

d. being subject to a class action lawsuit alleging defects causing balding and hair loss; and/or

e. agreeing to pay more than $26 million to settle a class action lawsuit.

52. On May 31, 2017, discussing Monat, Kavanaugh again commented on Facebook, "HATE this Company! In my opinion, it's awful, the ingredients are full of follicle clogging oils, think WEN, it's NOT a Pro line and it's an MLM scheme."

53. In another Facebook post discussing Monat, Kavanaugh stated:

> ***they stole a picture from a pro company and said it was theirs.***
> Frankly after this happened I hope people see the type of tactics this company does, like this Roxy Henley who said the President of Monat, Stuart MacMillon [sic] told her to come on my PRO site and tell me to stop bashing Monat, now do you really think the President of Monat would use this girl to yell at me, is he that much of a wimp that he can't contact me himself? I'm on LinkedIn, he can contact me, this company in my opinion is just underhanded and dishonest. I know there are other stylists on here that sell this stuff, but you can NOT mention it on my site - EVER!

(emphasis added) ("Theft Allegation Post").

54. Forty-five individuals "reacted" to Kavanaugh's Theft Allegation Post.

55. In another Facebook comment made sometime in 2017, Kavanaugh again falsely stated "Monat is being sued by a major Pro company for stealing that companies [sic] photo and saying it was Monat." She continued, Monat's "ingredient deck is full of oils like WEN was, awful company".

56. On June 1, 2017, in a private Facebook "group message," Kavanaugh again lied that Monat has engaged in illegal activity, and faces a lawsuit as a result:

> you should know I have a lawsuit with Monat, so I'll see Rayner Urdaneta in court for illegally using my name to lore [sic] stylists into his very bad company which is my opinion of Monat!
> Monat, in my opinion, is one of the worse [sic] companies out there and I will shout it to the world!!!!
> I HATE MONAT!

57. Rayner Urdaneta is Monat's Chief Executive Officer.

58. Monat is not currently involved, nor was it ever involved, in any lawsuits for stealing and using a competitor's photographs, or for using Kavanaugh's name to promote its products.

59. Kavanaugh has falsely claimed, stated, and advertised that:

a. Monat's products trap oils, dirt, fungus, bacteria, and dead skin, which can lead to "permanent hair loss";

b. Monat's products contain silicone, and ingredients that contain carcinogens and reproductive toxins;

c. Monat has advertised or represented that its products can "grow 5 inches of hair in 4 months";

d. like Wen, Monat's products are "full of follicle clogging oils";

e. Monat has an "identical formulation set up" to Wen;

f. Monat is "having the same problems" as WEN because Monat's products are "filled with oil";

g. Kavanaugh is engaged in a lawsuit with Monat because Monat "illegally" used her name to promote its product;

h. Kavanaugh is engaged in a lawsuit with Monat and Rayner Urdaneta for "illegally using [her] name to lore [sic] stylists" to Monat;

i. Monat is being sued by a "Pro" company for stealing a "hair picture" and using it in advertisements; and

j. Monat and Stuart MacMillan, Monat's President, are "underhanded and dishonest."

60. Kavanaugh's false statements were willful and malicious, as demonstrated by the following additional, contemptuous statements Kavanaugh made in her 2017 Facebook posts:

a. "Monat, in my opinion, is one of the worse [sic] companies out there and I will shout it to the world!!!!";

b. "HATE this Company! In my opinion, it's awful";

c. "I HATE MONAT";

d. "I'll see Rayner Urdaneta in court for illegally using my name to lore [sic] stylists into his very bad company"; and

e. "is [the President of Monat, Stuart MacMillan,] really that much of a wimp that he can't contact me himself? I'm on LinkedIn, he can contact me, this company in my opinion is just underhanded and dishonest."

61. Kavanaugh published the above false statements and advertisements for her own personal, financial gain.

62. Due to the fact that Kavanaugh is an active member in a number of private Facebook groups and pages, Kavanaugh has very likely made a number of additional false, disparaging, and defamatory claims for the purpose of damaging Monat's business, but of which Monat is currently unaware.

Count I: Lanham Act Violation – False Advertising
Against Kavanaugh and Beauty Studios
(15 U.S.C. § 1125)

63. Monat incorporates paragraphs 1 through 62 as this paragraph 63.

64. Kavanaugh uses her public Facebook page to promote Beauty Studios, the products she sells at Beauty Studios, and her own personal brand as a self-espoused cosmetic chemist and hair care specialist.

65. Kavanaugh releases advertisements and promotions for the benefit of Beauty Studios and its product sales on her public Facebook page.

66. On information and belief, Kavanaugh sells TRI Professional Haircare Products at Beauty Studios.

67. On her Facebook page, Kavanaugh frequently promotes and advertises TRI Professional Haircare Products, a competitor to Monat.

68. For example, on December 12, 2016, Kavanaugh posted a Facebook "review" of TRI Professional Haircare Products, giving the brand 5/5 stars, and stating that "TRI Hair Care has some of the best product out there," their "Structural Balance line is the perfect shampoo & conditioner for color treated hair," they "have THE BEST deep conditioner," that it "will make the hair healthy again after just one use," and that "the best part is their price point- it's affordable for the great quality of the product."

69. On information and belief, Kavanaugh also sells Olaplex LLC ("Olaplex") products in the salon she owns.

70. Olaplex makes cosmetic and hair care products that compete with Monat's.

71. Kavanaugh shares promotional advertisements for Olaplex LLC on her Facebook page.

72. Kavanaugh also promotes Beauty Studios' product sales through negative Facebook advertisements about Monat, its products, and its executives.

73. Kavanaugh has made numerous false and misleading negative advertisements on Facebook concerning Monat's products (summarized in paragraph 59(a) – (f)).

74. Kavanaugh's Facebook posts constitute an advertisement or promotion because Kavanaugh and Beauty Studios sell and promote products in commercial competition with Monat.

75. In addition, Kavanaugh creates her posts with the purpose of influencing consumers to buy the products she sells at Beauty Studios, and to convince customers to "steer clear" of Monat's products.

76. Kavanaugh's Facebook advertisements were also made with the purpose of preventing current and prospective Market Partners from associating with Monat and selling its products.

77. Kavanaugh's advertisements were disseminated sufficiently to the relevant purchasing public because she operates a publicly accessible Facebook page with 5,000 "friends," each of whom automatically receive Kavanaugh's posts as part of their Facebook "News Feed."

78. Many of Kavanaugh's "friends" are either salon owners, stylists, or are involved in the hair care industry, and are potential customers and/or Market Partners of

Monat.

79. Moreover, Kavanaugh's website, askMags.com, boasts that it "is currently getting over 5 million hits and over 5200 unique visitors each month."

80. Kavanaugh uses her website to promote her Facebook page and Beauty Studios, and vice versa.

81. Monat's business model depends upon recruiting Market Partners, who typically operate in relatively small geographic and/or industry specific markets.

82. Kavanaugh's advertisements have been disseminated to a significant number of Market Partners, and a significant number of individuals in the geography and industry specific markets in which Monat Market Partners operate.

83. Kavanaugh's false advertisements about Monat deceived, or had the capacity to deceive, a substantial segment of potential Monat customers.

84. As demonstrated by the "likes," "reactions," and comments to Kavanaugh's Facebook posts, her negative advertisements are "material," and have influenced, and will continue to influence the purchasing decisions of current and potential Monat customers.

85. In addition, Kavanaugh's advertisements have influenced, and will continue to influence individuals' decisions concerning whether to become new Market Partners for Monat, and whether to market and sell Monat's products.

86. Based on the nature of Kavanaugh's publicly accessible Facebook, and the significant number of "friends" connected to her Facebook page who live across the United States, Kavanaugh's false advertisements about Monat's products have been

placed in interstate commerce.

87. Moreover, the products Kavanaugh sells in her salon are sold by brands operating in interstate commerce.

88. Monat's products are also sold in interstate commerce.

89. Kavanaugh's false and deceptive advertisements have injured, and continue to injure Monat's product sales, and its ability to attract and acquire additional Market Partners.

90. Kavanaugh and Beauty Studios have willfully and maliciously violated the Lanham Act.

91. Kavanaugh's own Facebook posts demonstrate her malice towards Monat, where she has expressed significant contempt for Monat and its executives (comments listed in paragraph 60(a) – (e)).

WHEREFORE, Monat Global Corp requests the following relief against Defendant Mags Kavanaugh and California Beauty Studios, Inc.:

a) permanent injunctive relief requiring Kavanaugh to remove from her Facebook, website, and any other place, all false and misleading claims and advertisements concerning Monat's products;

b) permanent injunctive relief preventing Kavanaugh, and any other person affiliated with Beauty Studios, from publishing further false and misleading claims and advertisements concerning Monat's products;

c) an award of damages equal to Kavanaugh and Beauty Studios' profits from selling products that compete with Monat during the time Kavanaugh has

disseminated false and misleading advertisements about Monat's products (15 U.S.C. § 1117(a));

d) an award of Monat's reasonable attorneys' fees and costs in connection with bringing and prosecuting this action (15 U.S.C. § 1117(a)); and

e) any other just relief.

Count II: Disparagement of Goods/Trade Libel/Injurious Falsehood Against Kavanaugh and Beauty Studios (Florida Common Law)

92. Monat incorporates paragraphs 1 through 91 as this paragraph 92.

93. On her public Facebook page, before thousands of people, Kavanaugh published intentional falsehoods about the quality, condition, and value of Monat's products (summarized in paragraph 59(a) – (f)).

94. Kavanaugh published her false statements despite knowing they were false, or while being recklessly indifferent to the truth or falsity of her statements.

95. Kavanaugh intentionally made her false statements to cause damage to Monat.

96. Kavanaugh's statements damaged Monat's sales, and its relationships with its current and prospective Market Partners and customers.

97. Kavanaugh spread her false statements willfully and maliciously to cause damage to Monat's business, as demonstrated by her comments listed in paragraph 60(a) – (e).

WHEREFORE, Monat Global Corp requests the following relief against Defendants Mags Kavanaugh and California Beauty Studios, Inc.:

a) permanent injunctive relief requiring Kavanaugh to remove from her Facebook, website, and any other place, all false statements concerning Monat's products;

b) permanent injunctive relief preventing Kavanaugh, and any other person affiliated with Beauty Studios, from publishing further false statements concerning Monat's products;

c) an order requiring Kavanaugh and Beauty Studios to release public statements to ameliorate the negative effect of Kavanaugh's false statements on Monat's sales;

d) pecuniary losses resulting from Kavanaugh's false statements;

e) punitive damages in excess of $250,000 for Kavanaugh's willful and malicious actions; and

f) any other just relief.

Count III: Defamation
Against Kavanaugh and Beauty Studios
(Florida Common Law)

98. Monat incorporates paragraphs 1 through 97 as this paragraph 98.

99. On her public Facebook page, before thousands of people, Kavanaugh published intentional falsehoods about Monat and its executives (summarized in paragraph 56(g) – (j)).

100. Kavanaugh's statements were defamatory *per se* because she falsely accused Monat of illegal activity, and other improprieties, in the conduct of its business.

101. Kavanugh knew and intended her statements to be false because she had

fabricated the improprieties and purported lawsuits she claimed existed.

102. Alternatively, Kavanaugh was reckless with regard to the truth or falsity of the above statements because she had no factual basis for asserting them.

103. Kavanaugh could have discovered the falsity of her statements by checking the public record, which would have revealed an absence of any lawsuits between Kavanaugh and Monat, or Monat and any "Pro" company, or otherwise.

104. As a result of Kavanaugh's false statements, Monat has suffered damage to its corporate reputation, as well as damage to its sales, and its relationships with current and prospective Market Partners and customers.

105. Kavanaugh made her false and defamatory statements in her capacity as the owner and operator of Beauty Studios, and for the benefit of Beauty Studios' product sales.

106. Kavanaugh spread her false statements with willful and malicious intent, as demonstrated by her contempt-filled comments listed in paragraph 60(a) – (e).

WHEREFORE, Monat Global Corp requests the following relief against Defendants Mags Kavanaugh and California Beauty Studios, Inc.:

g) permanent injunctive relief requiring Kavanaugh to remove from her Facebook, website, and any other place, all false statements concerning Monat and its executives;

a) permanent injunctive relief preventing Kavanaugh, and any other person affiliated with Beauty Studios, from publishing further false statements concerning Monat and its executives;

b) an order requiring Kavanaugh and Beauty Studios to release public statements to ameliorate the negative effect of Kavanaugh's false statements;

c) compensatory damages based on injury to Monat's reputation and business interests;

d) punitive damages in excess of $250,000 for Kavanaugh's maliciously false statements; and

e) any other just relief.

Count IV: Misleading Advertising
Against Kavanaugh and Beauty Studios
(Fla. Stat. § 817.41)

107. Monat incorporates paragraphs 1 through 106 as this paragraph 107.

108. Kavanaugh has made numerous misrepresentations of material fact on Facebook concerning Monat and its products, with the intent to sell competing products (listed in 59(a) – (j)).

109. Kavanaugh made misrepresentations in her individual capacity, and in her capacity as owner and operator of Beauty Studios.

110. Kavanaugh made her misrepresentations for the benefit of Beauty Studios' product sales.

111. Kavanaugh knew or should have known her claims that Monat was engaged in various lawsuits, and that Monat engaged in certain improprieties, were false at the time of making them because she simply fabricated the existence of such lawsuits.

112. Kavanaugh knew or should have known that her claims about Monat's products were false because, again, she fabricated such claims, and she represents that

she has specialized knowledge in the hair care industry.

113. As a seller of salon brand products, Kavanaugh sells and/or markets goods that compete with Monat's.

114. Kavanaugh intended for consumers of personal hair care products to rely on her false advertisements and to "steer clear" of Monat, and instead, to purchase the products that Kavanaugh and Beauty Studios sell and/or market.

115. Kavanaugh intended current and potential Market Partners to rely on her negative advertisements about Monat and its products, and to hurt Market Partners' ability to sell Monat's products.

116. Monat has lost sales as a result of Kavanaugh's negative advertisements.

117. Prospective Market Partners have been deterred from doing business with Monat, and from selling Monat's products, as a result of Kavanaugh's negative advertisements.

WHEREFORE, Monat Global Corp requests the following relief against Defendants Mags Kavanaugh and California Beauty Studios, Inc.:

a) permanent injunctive relief requiring Kavanaugh to remove from her Facebook, website, and any other place, all false and misleading claims and advertisements concerning Monat, its products, and its executives;

b) permanent injunctive relief preventing Kavanaugh, and any other person affiliated with Beauty Studios, from publishing further false and misleading claims and advertisements concerning Monat, its products, and its executives;

c) compensatory damages for Kavanaugh's misrepresentations of fact;

d) an award of Monat's reasonable attorneys' fees and costs in connection with bringing and prosecuting this action (Fla. Stat. § 817.41(6));

e) Punitive damages in excess of $250,000 for Kavanaugh's willful and malicious misrepresentations of fact (Fla. Stat. § 817.41(6)); and

f) any other just relief.

Count V: Unfair Competition
Against Kavanaugh and Beauty Studios
(Florida Common Law)

118. Monat incorporates paragraphs 1 through 117 as this paragraph 118.

119. Kavanaugh has engaged in deceptive conduct in competition with Monat, and in violation of Florida common law, by making misrepresentations about Monat, its products, and its executives (listed in paragraph 59(a) – (j)).

120. Monat competes against Kavanaugh and Beauty Studios for a common pool of customers in the hair care market.

121. Kavanaugh's actions violate a number of state and federal competition laws, as alleged in this complaint.

122. By spreading her misrepresentations and falsehoods, Kavanaugh has created a likelihood of consumer confusion concerning the ingredients in Monat's products, the safety of Monat's products, and the way in which Monat and its executives operate Monat's business.

123. Monat has been damaged by Kavanaugh and Beauty Studios's unfair competition through lost sales and lost opportunities with prospective Market Partners.

WHEREFORE, Monat Global Corp requests the following relief against

Defendants Mags Kavanaugh and Beauty Studios:

a) permanent injunctive relief requiring Kavanaugh to remove from her Facebook, website, and any other place, all false and misleading claims concerning Monat, its products, and its executives;

b) permanent injunctive relief preventing Kavanaugh, and any other person affiliated with Beauty Studios, from publishing further false and misleading claims and advertisements concerning Monat, its products, and its executives;

c) an order requiring Kavanaugh to release public statements to ameliorate the consumer confusion resulting from Kavanaugh's misrepresentations;

d) compensatory damages for Kavanaugh's misrepresentations of fact;

e) Punitive damages in excess of $250,000 for Kavanaugh's willful and malicious misrepresentations of fact; and

f) any other just relief.

Count VI: Florida Deceptive and Unfair Trade Practices Act (FDUTPA) Against Kavanaugh and Beauty Studios (Fla. Stat. § 501.204)

124. Monat incorporates paragraphs 1 through 123 as this paragraph 124.

125. Kavanaugh has engaged in deceptive and unfair trade practices by making misrepresentations about Monat, its products, and its executives (summarized in paragraph 59(a) – (j)) in violation of numerous state and federal laws.

126. Kavanaugh's deceptive misrepresentations have misled consumers and prospective Market Partners concerning the ingredients in Monat's products, the safety of Monat's products, and the way in which Monat and its executives operate Monat's

business.

127. Kavanaugh's deceptive misrepresentations have prevented consumers from purchasing Monat's products, and have deterred prospective Market Partners from working with Monat.

128. Monat has been damaged by Kavanaugh's deceptive and unfair business practices based on its loss of sales, damage to its business relationship with Market Partners, and loss of business relationships with prospective Market Partners.

WHEREFORE, Monat Global Corp requests the following relief against Defendants Mags Kavanaugh and California Beauty Studios, Inc.:

a) permanent injunctive relief requiring Kavanaugh to remove from her Facebook, website, and any other place, all false and misleading claims concerning Monat, its products, and its executives;

b) permanent injunctive relief preventing Kavanaugh, or any other person affiliated with Beauty Studios, from publishing further false and misleading claims and advertisements concerning Monat, its products, and its executives;

c) an order requiring Kavanaugh to release public statements to ameliorate the consumer confusion resulting from Kavanaugh's misrepresentations;

d) actual damages resulting from Kavanaugh's unfair and deceptive trade practices;

e) award of Monat's reasonable attorneys' fees for having to bring and prosecute this action (Fla. Stat. § 501.2105); and

f) any other just relief.

Count VII: Tortious Interference with Contract
Against Kavanaugh and Beauty Studios
(Florida Common Law)

129. Monat incorporates paragraphs 1 through 128 as this paragraph 129.

130. Monat has numerous independent contractor relationships with its many Market Partners.

131. Kavanaugh is aware of Monat's many contracts with its Market Partners, as she has on many occasions, referenced Monat's direct selling business model in her Facebook posts and comments by stating that Monat is an "MLM," or Multi-Level Marketing entity (*i.e.*, entity utilizing a direct sales business model), and an "MLM scheme" where only "the top people make money but for you to make money you need to get an army of people under you to sell it."

132. Indeed, in her Theft Allegation Post, referring to Monat products, Kavanaugh stated, "I know there are other stylists ***on here*** that sell this stuff, but you can NOT mention it on my site – EVER!" (emphasis added).

133. Kavanaugh is also aware of the business relationships between Monat and its loyal customers, who have purchased Monat products since August 2014.

134. Kavanaugh has intentionally made false statements about Monat, its products, and its executives in an effort to unjustifiably interfere with Monat's relationships with its Market Partners and customers.

135. Kavanaugh's intentional and unjustified interference has caused damage to Monat's relationships with its Market Partners and customers.

136. Kavanaugh's intentional and unjustified interference has caused Market

Partners to lose product sales, which negatively affects Monat's relationship with its Market Partners.

137. Kavanaugh interfered with Monat's business relationships in her individual capacity, and in her capacity as owner and operator of Beauty Studios.

138. Kavanaugh interfered with Monat's business relationships for the benefit of Beauty Studios.

139. Kavanaugh's interference was willful and malicious, as demonstrated by her comments listed in paragraph 60(a) – (e).

WHEREFORE, Monat Global Corp requests the following relief against Defendants Mags Kavanaugh and California Beauty Studios, Inc.:

a) permanent injunctive relief against Kavanaugh preventing her, and any other person affiliated with Beauty Studios, from unjustifiably interfering with Monat's business relationships with its Market Partners and customers;

b) an order requiring Kavanaugh and Beauty Studios to release public statements to ameliorate the negative effect of Kavanaugh's unjustified interference;

c) compensatory damages based on injury to Monat's business relationships with its Market Partners and lost sales to customers;

d) punitive damages in excess of $250,000 for Kavanaugh's intentional and malicious interference; and

e) any other just relief.

Count VIII: Tortious Interference with Prospective Economic Advantage Against Kavanaugh and Beauty Studios (Florida Common Law)

140. Monat incorporates paragraphs 1 through 139 as this paragraph 140.

141. Monat has had a network of Market Partners since August 2014.

142. Monat's existing Market Partners are constantly attempting to recruit new Market Partners to sell Monat's products.

143. Kavanaugh is aware of Monat's expectation of relationships with prospective Market Partners because she is familiar with Monat's business model as a direct selling model.

144. Kavanaugh actively spreads falsehoods about Monat and its products to encourage prospective Market Partners to "steer clear" of Monat.

145. Kavanaugh has intentionally made false statements about Monat, its products, and its executives (summarized in paragraph 57(a) – (j)) in an effort to unjustifiably interfere with Monat's expectation of relationships with prospective Market Partners and customers.

146. Kavanaugh's intentional and unjustified interference and false statements have caused prospective Market Partners to decline to do business with Monat.

147. Kavanaugh's intentional and unjustified interference has caused prospective customers to decline to purchase products from Monat.

148. Kavanaugh interfered with Monat's prospective business relationships in her own individual capacity, and also in her capacity as owner and operator of Beauty Studios.

149. Kavanaugh interfered with Monat's prospective business relationships for the benefit of Beauty Studios.

150. Kavanaugh's interference with Monat's prospective business relationships was willful and malicious, as demonstrated by her comments listed in paragraph 60(a) – (e).

WHEREFORE, Monat Global Corp requests the following relief against Defendants Mags Kavanaugh and California Beauty Studios, Inc.:

a) permanent injunctive relief against Kavanaugh preventing her, or anyone affiliated with Beauty Studios, from unjustifiably interfering with Monat's prospective business relationships;

b) an order requiring Kavanaugh and Beauty Studios to release public statements to ameliorate the negative effect of Kavanaugh's unjustified interference;

c) compensatory damages based on injury to Monat's foregone opportunities with prospective Market Partners and customers;

d) punitive damages in excess of $250,000 for Kavanaugh's intentional and malicious interference; and

e) any other just relief.

Dated July 10, 2017

MONAT GLOBAL CORP.

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