



LEGAL UPDATE

We would like to share an important legal update with you. On October 15, a Utah Court decided a number of pending motions related to our case against doTERRA and its founders. Importantly, the Court did not rule on Young Living's claims for breach of written contract against several founders of doTERRA that they improperly solicited Young Living's distributors and used Young Living's confidential information in violation of their agreements. Young Living is anxiously moving toward its day before a jury to prove these claims, which we remain very optimistic about.

The Court did decide, however, that Young Living could not claim that doTERRA and its founders violated certain Utah statutes related to misappropriation of trade secrets and other improper activity, not because doTERRA and its founders did not engage in that activity, but because the former legal team at Young Living simply waited too long under Utah law to bring these particular legal claims. For example, the Court ruled that:

1. "It is undisputed that Young Living's investigation revealed that, after leaving their employment with Young Living, some individual defendants had retained Young Living property. This included documents (both written and electronic), computers, and certain 'white binders' believed to contain confidential information among other things."
2. In 2008, Young Living required David Stirling, Greg Cook, Emily Wright and David Hill to return confidential documents that they had taken with them when they left and, "as a result, many items (both computers and documents) were recovered by Young Living which Young Living confirmed to be trade secrets that had been wrongfully retained."
3. "The undisputed facts also demonstrate that Young Living was able to pursue its theory that trade secret information was not only wrongfully retained, but used" by doTERRA.
4. Even though there was evidence that Emily Wright destroyed her computer to hide the defendants' use of confidential information, "any concealment by Wright did not frustrate Young Living's ability to recognize that the individual defendants had retained, and likely used, confidential information."

Young Living will continue to vigorously pursue its remaining claims against the founders of doTERRA.