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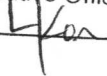
7 Attorneys for Plaintiff,  
8 ADYA, INC.

VENTURA  
SUPERIOR COURT

**FILED**

FEB 14 2012

MICHAEL D. PLANET  
Executive Officer and Clerk

BY: , Deputy  
**L. KOZIN**

9 **SUPERIOR COURT OF CALIFORNIA**

10 **COUNTY OF VENTURA**

11 ADYA, INC., a Michigan corporation,

12 Plaintiff,

13 vs.

14 THE RAW FOOD WORLD, INC., a California

15 corporation; and DOES 1-50, Inclusive,

16 Defendants.

) Case No.: 56-2012-00412608-CU-BC-VTA  
)

) COMPLAINT FOR:

- ) (1) Breach of Contract;  
) (2) Common Count for Goods  
) Rendered.  
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20 PLAINTIFF, ADYA, INC., by and through its counsel, Jackson & Stephenson LLP,  
21 brings this complaint against Defendant THE RAW FOOD WORLD, INC., and DOES 1-50,  
22 Inclusive, alleging as follows.

23 **NATURE OF THE ACTION AND RELIEF SOUGHT**

24 1. Plaintiff ADYA, INC. ("Adya") is the creator and distributor of the concentrated  
25 form of a water purifying product bottled and sold under its label, "Adya Clarity." The primary  
26 ingredient in Adya Clarity is called Themarox, a formula compounded originally from the  
27 mineral commonly known as black mica. Adya sells Adya Clarity in 2 ounce, 16 ounce, and 32  
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1 ounce bottles, to distributors. Adya also sells water filtration units and ceramic filters for same.  
2 Adya's principal officers are Matt Bakos and Dennis Babjack.

3 2. Defendant THE RAW FOOD WORLD, INC. ("Raw Food World") was, at all  
4 relevant times herein, a distributor of Adya Clarity, purchasing Adya Clarity from Adya at  
5 wholesale prices, and selling to its customers at retail prices. The principal officer of Raw Food  
6 World is Matt Monarch.

7  
8 3. Matt Bakos was first introduced to Matt Monarch in September 2010 at a  
9 conference in Detroit, Michigan. Impressed by the Adya Clarity product, Matt Monarch stated  
10 his interest in having Raw Food World purchase Adya Clarity from Adya, and distribute it to  
11 Raw Food World customers.

12  
13 4. In September 2010, Adya and Raw Food World orally agreed on terms governing  
14 their business relationship, including an ongoing pricing structure and payment terms. The  
15 pricing structure and minimum order terms were agreed to be: \$2.00 per 2-ounce bottle, \$8.00  
16 per 16-ounce bottle, and \$15.00 per 32-ounce bottle, as long as Raw Food World ordered at least  
17 1,000 quantity of each size, with payments due upon receipt of goods.

18  
19 5. Adya continuously sold Adya Clarity to Raw Food World, from September 2010  
20 through July 2011, under the terms agreed to as described in paragraph 4.

21  
22 6. In July 2011, through October 2011, upon Raw Food World's request, Adya  
23 agreed to allow Raw Food World to accrue a debt to Adya, and to make payments toward the  
24 balance with Adya. During this time, Adya made several sales to Raw Food World, and Raw  
25 Food World made frequent payments to Adya against those sales. The cycle of Adya selling and  
26 shipping large quantities of Adya Clarity products and water filtration units and ceramic filters to  
27  
28

1 Raw Food World, upon demand, and Raw Food World making payments against the balance  
2 thereon, was the parties' practice from July 2011 through October 2011.

3 7. From September 2010 through October 2011, Adya also shipped Adya Clarity,  
4 water filtration units and ceramic filters, directly from its warehouse, to customers of Raw Food  
5 World, upon demand by Raw Food World. Such shipments were treated by Adya as sales to Raw  
6 Food World, and were added to Raw Food World's account. As described in paragraph 6, Raw  
7 Food World made regular payments to Adya for such sales.  
8

9 8. From about July 2011 through October 2011, inclusive, Raw Food World  
10 purchased increasing quantities of Adya Clarity. In fact, demand for Adya Clarity by customers  
11 of Raw Food World was so high, that on September 26, 2011, in an email from Matt Monarch to  
12 Dennis Babjack, Mr. Monarch stated, "I want you to ship me as many bottles as you humanly  
13 possibly can on an ongoing basis. We are still holding back due to lack of stock."  
14

15 9. From September 26, 2011, through the end of October 2011, Adya sold \$559,280  
16 in Adya Clarity and water filtration units/ceramic filters to Raw Food World. The last shipment  
17 to Raw Food World was on October 27, 2011, for \$47,160. The retail value of the Adya Clarity  
18 sold to Raw Food World during this period exceeded \$5,100,000.  
19

20 10. The balance on Raw Food World's account as of October 27, 2011 was  
21 \$225,500.50.  
22

23 11. From October 28, 2011 through October 30, 2011, a series of Internet articles  
24 containing false and misleading statements about Adya and Adya Clarity caused unfounded fear  
25 and concern as to the safety of Adya Clarity, in users of Adya Clarity, and doubt and misgivings  
26 in the minds of potential users of Adya Clarity. The original source of such false and misleading  
27 statements is believed to be a disgruntled former distributor of Adya Clarity, but the statements  
28

1 were published on a prominent website in the natural health community. All of these false and  
2 misleading statements are easily explainable, and Adya stands by the safety of Adya Clarity for  
3 use as labeled. In communications from Matt Bakos to Matt Monarch during this time, Mr.  
4 Bakos demonstrated why the statements were false, misleading, or inaccurate, and Matt  
5 Monarch's statements in response indicated understanding, support for Adya and a commitment  
6 to Adya Clarity.  
7

8 12. However, in a shocking reversal, on October 31, 2011, in an announcement on its  
9 website, Raw Food World abruptly and without justification pulled out all support for the Adya  
10 Clarity marketplace, ceased offering Adya Clarity to its customers, and offered full refunds to  
11 "anyone who would like one." This announcement was accompanied by the contradictory  
12 statement that "I have personally continued to put the recommended dosage of Adya Clarity into  
13 my water on a daily basis as usual."  
14

15 13. On November 2, 2011, Raw Food World obtained authorization from Adya to  
16 refuse the October 27, 2011 shipment. Raw Food World was only charged Adya's shipping costs  
17 for the sale, and the balance remaining after the credit was \$183,056.50.  
18

19 14. Since the return of the October 27, 2011 shipment, Raw Food World has  
20 attempted to return the balance of its unsold inventory to Adya. Adya did not and does not  
21 authorize such returns, and has refused to accept them.  
22

23 15. Raw Food World failed and refused, and continues to fail and refuse, to pay Adya  
24 the full balance due of \$183,056.50.  
25

26 16. The unsold Adya Clarity products that Raw Food World purchased, and that Adya  
27 shipped to Raw Food World, were accepted into Raw Food World's warehouse. They were not  
28 damaged or defective. Accordingly, no cause existed for Raw Food World to fail and refuse to

1 pay for the goods, and Adya was not required to accept any such returns, and in fact did not  
2 authorize any such returns. Moreover, because Adya cannot be certain how the products were  
3 stored while in possession of Raw Food World, Adya would be forced to destroy any such Adya  
4 Clarity it came to possess, and certainly could not resell any such inventory.

5 17. Adya seeks, by this Complaint, full payment by Raw Food World in the amount  
6 of \$183,056.50  
7

### 8 **PARTIES**

9 18. Plaintiff Adya is a Michigan corporation, with its principal place of business in  
10 the city of Coldwater, state of Michigan.

11 19. Defendant Raw Food World is a California corporation, with its principal place of  
12 business in the city of Ojai, state of California. Raw Food World operates an Internet-based  
13 products and information website, at [www.therawfoodworld.com](http://www.therawfoodworld.com). Raw Food World is a major  
14 market-maker in the markets of healthy products, especially those considered “raw,” or  
15 unprocessed or minimally processed, and “vegan,” containing no animal by-products. Raw Food  
16 World’s principal, Matt Monarch, is an author and frequent speaker at healthy lifestyle, raw  
17 food, and/or vegan events. Raw Food World has an Internet-based webcast, in which Matt  
18 Monarch and his wife, Angela Stokes, discuss various topics or products of interest to viewers.  
19 There are over 12,000 subscribers to the webcast, which is hosted on youtube.com, and there  
20 have been almost 4.4 million video views of Raw Food World’s videos posted thereon. Raw  
21 Food World also operates an Internet-based radio program, in which Matt Monarch interviews  
22 prominent individuals in the health industry. Raw Food World offers some free content, but also  
23 offers content on a subscription basis, as of the date of this complaint, for approximately \$20 per  
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1 month. From his enormous financial success with The Raw Food World, Monarch recently  
2 purchased 300 hectares of land in Ecuador.

3 20. Defendants Does 1 through 50, inclusive, whether individual, corporate, associate  
4 or otherwise, are sued by these fictitious names and whose true names and capacities, at this  
5 time, are unknown to Plaintiff. Plaintiff is informed and believes and thereupon alleges that, at  
6 all times mentioned, each of the Defendants sued herein as Does 1 through 50 was the agent,  
7 servant and employee of his, her or its co-defendants and, in doing the things hereinafter  
8 mentioned, was acting in the scope of his, her or its authority as such agent, servant, employee,  
9 and with permission, consent, and/or ratification of his, her, or its co-defendants; and that each of  
10 said fictitiously named Defendants is in some way liable or responsible to Plaintiff on the facts  
11 hereinafter alleged and caused the injuries and damages proximately thereby as hereinafter  
12 alleged. At such time as the true names of said DOE Defendants become known to Plaintiff,  
13 Plaintiff will amend this Complaint to insert said true names and capacities.  
14  
15

16 21. Any allegation about acts of any corporate or other business defendant means that  
17 the corporation or other business did the acts alleged through or by the ratification of its officers,  
18 directors, employees, agents and/or representatives while they were acting within the actual or  
19 ostensible scope of their authority.  
20

### 21 **JURISDICTION AND VENUE**

22 22. Through this action, Adya asserts claims against Defendants arising under  
23 California common law.  
24

25 23. This Court has original subject matter jurisdiction over Adya's state claims.

26 24. This Court has specific personal jurisdiction over all Defendants as they have, and  
27 each of them, purposefully committed, within the State of California, the acts from which these  
28

1 claims arise, knowing and intending that such acts would cause injury within the state. The Court  
2 also has general personal jurisdiction over Defendants, as they have conducted continuous,  
3 systematic, and routine business with the State of California and the County of Ventura. Finally,  
4 Defendant Raw Food World is principally located in the city of Ojai, which is within this  
5 County.

6  
7 25. Venue is proper in the Superior Court of California, County of Ventura.

8 **FIRST CAUSE OF ACTION**

9 **BREACH OF CONTRACT**

10 (Under California Common Law)

11  
12 26. Adya repeats and realleges each and every allegation contained in paragraphs 1 to  
13 25, inclusive, of this Complaint and incorporates them by reference as though fully and  
14 completely set forth herein.

15  
16 27. In September 2010, Adya and Raw Food World entered into an oral contract for  
17 an ongoing business relationship, whereby Adya proposed, and Raw Food World accepted, that  
18 Adya would sell Adya Clarity to Raw Food World for \$2.00 per 2-ounce bottle, \$8.00 per 16-  
19 ounce bottle, and \$15.00 per 32-ounce bottle, as long as Raw Food World ordered at least 1,000  
20 quantity of each size. Raw Food World accepted this proposal and ordered approximately  
21 \$22,000 of product in September 2010, which Adya promptly shipped, and Raw Food World  
22 paid the balance in full upon receipt.

23  
24 28. Raw Food World agreed to pay, and did pay, for all purchases upon receipt, under  
25 the pricing terms as described in paragraph 27, starting in September 2010 through July 2011.

26  
27 29. Starting in July 2011, Raw Food World proposed, and Adya accepted, that Adya  
28 would allow Raw Food World to begin to accrue a balance with Adya. Raw Food World's

1 balance with Adya twice exceeded \$100,000 during the months of July 2011 and August 2011,  
2 but as of August 23, 2011, Raw Food World paid its balance down to zero. During this time,  
3 Adya continued to fulfill Raw Food World's orders, as well as drop shipped orders for Raw Food  
4 World. Raw Food World's accepted proposal merely modified the existing contract's payment  
5 terms.

6  
7 30. On October 31, 2011, Matt Monarch posted on Raw Food World's website that  
8 Raw Food World would no longer be carrying Adya Clarity, and would no longer be selling the  
9 product.

10 31. On November 2, 2011, Matt Monarch requested to Adya that the product that  
11 Raw Food World had purchased for \$47,160 on October 27, 2011, and which was still in transit,  
12 be returned without inspection. Adya allowed this exception to its return policy, accepted the  
13 returns, and issued a credit on November 9, 2011 to Raw Food World's account, only charging  
14 for the original shipping costs.

15  
16 32. Additionally, Raw Food World attempted to return all Adya Clarity in its  
17 warehouse. Such additional returns were not warranted, authorized, or accepted, and violated  
18 Adya's return policy.

19  
20 33. Adya's return policy governs Adya's sales of Adya Clarity. The policy states,  
21 "Wholesale purchases are final once an item leaves the facility[,] and then becomes the  
22 distributors [sic] responsibility...Any damages must be reported with in [sic] [the] 48 hour  
23 period after delivery. Damages, and[/]or returns[,] must have proper authorization and [be]  
24 returned with in [sic] 14 days of delivery and subject to re[-]stocking fee if warranted. Please  
25 include order number to obtain damage claim authorization."  
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1 41. Raw Food World has not paid Adya for the goods.

2 42. The value of the goods that Adya delivered, and for which Raw Food World has  
3 not paid, is \$183,056.50, based upon the contractual pricing structure established by Adya and  
4 Raw Food World.

5 43. Adya is therefore entitled to the full amount due and owing under the contract  
6 and requests such other relief as the court deems just and proper.  
7

8  
9 **PRAYER FOR RELIEF**

10 WHEREFORE, Adya prays for judgment as follows:

- 11 1. That Adya recover all of its actual damages;  
12 2. That Adya recover its costs in this action and its reasonable attorneys' fees;  
13 3. That Adya recover interest and costs of suit incurred in this action as authorized by  
14 law; and  
15 4. That the Court award such other and further relief as it deems just and proper.  
16  
17  
18

19 Dated February 13 2012:

JACKSON & STEPHENSON LLP

20  
21 

22 Mark M. Stephenson  
23 Attorney for Plaintiffs,  
24 ADYA, INC.  
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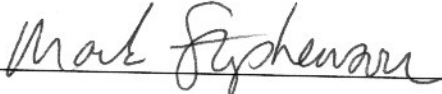
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**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a jury trial on all claims.

Dated February 13 2012:

JACKSON & STEPHENSON LLP



Mark M. Stephenson  
Attorney for Plaintiffs,  
ADYA, INC.