

July 24, 2006
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**BEFORE THE DIVISION
OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH**

In the Matter of:)	
)	
)	ANSWER
Jeffery Lane Mowen;)	
and Elizabeth Mowen, aka Elizabeth Ward)	
)	Docket no. SD-06-0037
)	Docket no. SD-06-0038
)	
)	Director: Wayne Klein

STATEMENT OF RELIEF THAT RESPONDENT SEEKS

Respondent Elizabeth Ward seeks a finding for no cause of action against her and requests that the Administrative Action against her be dismissed.

STATEMENT OF THE FACTS

- a) Respondent, Elizabeth Ward (hereafter "Ward") previously known as Elizabeth Mowen, for a period of time, had a reasonable belief that she was married to Jeffery L Mowen. However, that supposed Nevada, Clark County, Marriage was annulled in October of 2005.
- b) Respondent Ward had reasonable basis to believe at times that she worked for and/or was engaged as a representative to two business ventures commonly referred to as Multi-level

Marketing (“MLM”) distributorships, directly or indirectly, through distributorships or entities, and that those distributorships included a company called New Skin, International for 5 years and later an Isagenix distributorship that began in April, 2005. Prior to beginning her Isagenix distributorship relationship, Ward had a long standing (non-distributorship) consulting contract with USANA Corporate for approximately 6 Years.

- c) USANA Health Sciences, Inc. is a direct selling company where Independent Associates distribute and sell scientifically-based nutritional supplements personal care products. Net sales for USANA Health Sciences in the year 2003 were approximately US \$200 million. USANA Health Sciences has subsidiaries in four continents including Australia, New Zealand, Canada, the UK, the Netherlands, Hong Kong, Japan, Taiwan, Korea, Singapore, Mexico and the United States. The corporate headquarters are located in Salt Lake City, Utah. Information obtained from USANA Corporate Website <http://www.usana.com>
- d) Isagenix International, founded March 2002, is a network of associates seeking to deliver internationally recognized products with a mission “to search the world and share the discoveries in science and nature that will make a difference in the health, wealth, and happiness of humankind.” <http://www.isagenix.com> Isagenix claims to be “one of the fastest-growing companies in North America with combined sales approaching \$200 million ... prepared for explosive growth.” <http://www.isagenix.com>
- e) Respondent Ward has reasonable basis to believe that she was acquainted with the persons known as J.C. and C.W. listed in the O.S.C. documents.
- f) Respondent Ward had reasonable basis to believe that the persons known as J.C. and C.W. were associates in her “down-line” team for Isagenix and that J.C. and C.W. were previously distributors for USANA. Respondent Ward was aware of J.C. and C.W.’s distributorships

with USANA because of information made available to her through her consulting contract with USANA

- g) Respondent Ward had reasonable basis to believe that her only business relationships with the persons know as J.C. and C.W. listed in the O.S.C. documents were limited to those aforementioned USANA consulting contract and Isagenix “down-line” distributorships.

SUMMARY STATEMENT OF WHY THE RELIEF SHOULD BE GRANTED

Respondent Ward had no prior knowledge of any business dealings of the persons known as J.C., C.W., and Jeffery L Mowen other than related to their respective Isagenix distributorships. Respondent denies any one conversation of communication or using the exact phrase, “that Mowen was brilliant with money” but was aware of information previously being exchanged between her distributorship and J.C.’s and C.W.’s Isagenix distributorships. Those previously exchanged communications were things such as the Isagenix distributor Mowen’s “bio” information, which was directly requested from Jeffery L Mowen by J.C. and C.W.; were directly used by J.C. and C.W.; were independently used by J.C. and C.W.’s on their own knowledge and volitions; were used at a point in time which was prior to the time as alleged in the complaint about Respondent Ward’s communications to J.C. or C.W. about any alleged investments; and were used by J.C. and C.W. on their own website for their own Isagenix distributorship down-line team prior to any of the alleged communications about any alleged investments.

Respondent Ward, at other times, also spoke highly of Jeffery L Mowen as the man she reasonably believed she was married to and reasonably believed was worthy of the prestige and promotions given to him by others only as related to their Isagenix distributorships. Respondent Ward did not at any time make, affirm, or support any communications in connection with any offer, sale, or purchase of any security, directly or indirectly. Persons, J.C. and C.W., did not need

Respondent Ward's permission, recommendation, or support to be able to communicate directly with Jeffery L Mowen nor was Mowen promoted by Respondent Ward in any other way than connected to the Isagenix distributorship teams. Any other alleged business dealings were done behind Respondent Ward's back, so to speak, meaning Ward had no prior knowledge of any of the communications referred to in the O.S.C. documents related to any other kind of a partnership, investment, money making scheme, or any other kinds of business dealings not related to the Isagenix distributorship team. Therefore, Ward did *not* employ any device, scheme, or artifice to defraud; did *not* make any untrue statement of a material fact or *omit* to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; nor did she engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person under any of the definitions of the statute. See U.C.A. 1953 § 61-1-1

ANSWERS TO ENUMERATED PARAGRAPHS IN O.S.C.

Respondent hereby first enters a general denial of the allegations against her. Note: Respondent's general denials refer to denial of any possible connections or knowledge of those enumerated allegations and all the allegations in general, but is neither affirming nor denying the specific allegations which seem to her representative attorney not to be directed at her personally.

1. Respondent Ward reserves the right to challenge jurisdiction subsequent to any factual findings in the O.S.C. hearing.
2. Respondent has reasonable basis to believe that the statement enumerated as 2 is a true statement.
3. Respondent admits

4. Deny. Respondent Ward has since become aware of alleged solicitations, but had no prior knowledge of any such solicitations. Respondent Ward was aware that persons known as J.C. and C.W. in the O.S.C., in communications with Ward, may have at times said they would like to “pick Jeff’s brain.” Meaning, Respondent Ward assumed there was exchange of information and nothing more. Respondent had no prior knowledge that any of the information exchanged was to be any kind of investment information or other such dealings.
5. Deny. C.W. had known Respondent Ward since or about March of 1999 in Ward’s capacity as a contract Senior Project Manager for USANA Corporation, during which time C.W. was a distributor with USANA.
6. Deny as written. Respondent admits that in April of 2005 she announced to her field distributors in USANA/Sensé support group and others that she would not be renewing her 6 year consulting contract with USANA. It was only after lengthy prodding and persistence from C.W. that Respondent felt forced to even disclose her new relationship with Isagenix to C.W. Respondent was aware that C.W. later became a member of Respondent’s Isagenix “down-line” team.
7. Deny. Respondent denies any discussion about any “IRA.” Respondent remembers that C.W. told Respondent that she either sold or would be selling her USANA stock. Respondent Ward had no knowledge of any specific amount or supposed windfall of \$200,000 or that C.W. was thinking of purchasing some real estate.
8. Deny. Respondent denies using the exact term, “brilliant with money” when referring to Jeffery Mowen. Respondent does not recall any multi-line “conference” call involving all four of J.C., C.W., Jeffery Mowen, and Respondent at the same time. If there ever was such a “conference” call with all four, it did not involve any of the alleged investment dealings included this O.S.C., but were part of forming or planning the Isagenix distributorship team.

9. No basis to admit or deny, so deny generally. Ward can not know what communications took place between Mowen and other persons. No such 4-way conversation ever took place. If separate communications from Mowen to C.W. or J.C. ever took place, then Respondent has no basis to admit or deny what those communications from Mowen entailed.
10. No basis to admit or deny, so deny generally. Respondent Ward does not know of the alleged communications that went on separately between Mowen and J.C. with C.W. Respondent was aware of the distributor “bio” that was previously shared at the request of J.C. and C.W. for J.C.’s and C.W.’s Isagenix website. At the times alleged in the O.S.C., Ward had reasonable basis to believe that the representations in the “bio” were allowable general business “puffery” and she had reasonable basis to believe that such “bio” information was only going to be used in relation to the Isagenix distributorship team and not as to any investment or recommendation for investment.
11. No basis to admit or deny, so deny generally. Ward has no way of knowing what communications were had between Mowen and C.W. Ward told C.W. that Jeff Mowen did not make any investments, investment decisions, or investment recommendations other than for himself or for his own family.
12. No basis to admit or deny, so deny generally. Respondent Ward had no knowledge of any dealings other than Isagenix distributorship teams.
13. No basis to admit or deny, so deny generally. Respondent Ward had no knowledge of any dealings other than with Isagenix distributorship teams and no knowledge at the time of a “letter of understanding” email. During this time in July of 2005, Ward made her downline teams fully aware that she would be full-time engaged in travels and site seeing with her

sister visiting from Australia and had limited interest or access to the shared Isagenix email box during that time.

14. No basis to admit or deny. Same as 13.

15. No basis to admit or deny. Same as 13 and 14.

16. No basis to admit or deny. Same as 13, 14, and 15.

17. No basis to admit or deny, so deny generally. Respondent Ward had no knowledge of any dealings other than with Isagenix distributorship teams and no knowledge of a “just shy of 5%” email.

18. No basis to admit or deny, so deny generally. By this point, Respondent Ward had become aware of some sort of “deal” had taken place and she recalls that at or around this time, she verbally expressed her opposition to any “deals.” In her conversations with Mowen, J.C. and C.W. individually, as the Isagenix distributorship team leader, Ward remembers stating to them that she did not have anything to do with any such deals. Ward merely requested of all of them that they end it and that they would end any future plans or deals by refraining from conducting any business together that was not related to the Isagenix distributorship teams.

19. No basis to admit or deny, so deny generally.

20. No basis to admit or deny, so deny generally.

21. No basis to admit or deny, so deny generally.

22. No basis to admit or deny, so deny generally.

23. No basis to admit or deny, so deny generally.

24. No basis to admit or deny, so deny generally.

25. No basis to admit or deny, so deny generally.

26. No basis to admit or deny, so deny generally.

27. No basis to admit or deny, so deny generally.
28. No response required, so deny generally.
29. Not a factual allegation, so deny generally
30. Deny. Ward did not disclose any information to C.W. about Mowen's previous legal or securities division problems because she had reasonable basis to believe that any communications from Mowen with J.C. and C.W. would have nothing to do with any investment, investment decisions, or particularly with any investment recommendations from her. When Ward suspected, after the fact, that a business relationship separate from Isagenix may have been formed by Mowen with C.W. and J.C., she immediately communicated her disapproval and asked that any such communications be stopped immediately. Ward had never seen or read any court papers in connection with Mowen's previous legal difficulties and only had knowledge of them according to what Jeffery Mowen had told her which was that he had some "minor legal problems" for which he "did the right thing" and didn't fight it, and that "now it was all over." Ward is not a business or legal expert and took Jeffery Mowen's word for what the status of his previous legal problems were, but continually recommended to Mowen that he not get involved in any outside dealings in the future with any Isagenix distributors. Ward also made a point to tell anyone if asked about Mowen or for her assistance in contacting him, that he only did such dealings for himself or immediate family members.
31. Deny. Ward made no statements or representations with respect to any offer and sale of a security to J.C. and C.W. Ward only made statements to J.C. and C.W. with respect to their Isagenix distributorship.
- a. No basis to admit or deny, so deny generally

- b. Deny. Respondent was aware of the distributor “bio” that was previously given to J.C. and C.W. for J.C.’s and C.W.’s Isagenix website. At the times alleged in the O.S.C., Ward had reasonable basis to believe that the representations alleged in the “bio” were allowable general business “puffery” and she had reasonable basis to believe that such “bio” information was only going to be used in relation to the Isagenix distributorship team and not as to any investment or recommendation for investment.
- c. No basis to admit or deny, so deny generally
- d. No basis to admit or deny, so deny generally
- e. No basis to admit or deny, so deny generally
- f. No basis to admit or deny, so deny generally

32. Not a factual allegation, so deny generally

ADDITIONAL FACTS OR RELEVANT DOCUMENTS AS REQUESTED

Respondent through counsel objects to what appears to be a general discovery request but reserves the right to present or produce any relevant evidence, facts, or documentation in respect to her defense when specifically requested or called upon as needed.

Respectfully submitted, this _____ day of _____, 2006

BY: _____
James L. Driessen, Attorney for Respondent Elizabeth Ward

CERTIFICATE OF MAILING

I hereby certify that I mailed, postage prepaid, by first class mail, a true and correct copy of the forgoing Answer to the following this 24th day of July, 2006.

Or, (check box and initial if appropriate)

Hand delivered _____

Jeff Buckner
Assistant Attorney General
160 East 300 South
PO Box 140872
Salt Lake City, Utah 84114-0872

Hand delivered _____

Pam Radzinski
Utah Dept. of Commerce
Securities Division
P.O. BOX 146760
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Hand delivered J.L.M.

Jeffery L. Mowen

James L. Mowen