

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

KEVIN TRUDEAU

No. 10 CR 886

Judge Ronald A. Guzmán

GOVERNMENT'S SENTENCING MEMORANDUM

The UNITED STATES OF AMERICA submits the following sentencing memorandum and respectfully requests that the Court sentence defendant to no less than ten years in prison.

INTRODUCTION

This is a unique case. Defendant was convicted of criminal contempt based on his violation of a court order, but this violation was just one example of defendant's brazen defiance of the federal courts in Chicago, which has persisted for more than a decade. Defendant's violation of the court order was also a massive consumer fraud that resulted in over \$37 million in loss, and over \$5 million in gain to defendant. And all of these events are part of a larger, thirty-year pattern of defendant's fraud and deceit. Throughout his career, defendant has been motivated by simple greed, and he has funded and protected a lavish lifestyle by bilking consumers and defying court orders. The government is aware of no comparable criminal contempt case in this district. Defendant's crime, the harm it caused to the courts and to his victims, and his history of fraud, lies, and contempt, warrant a

significant prison term, which the government believes should be no less than ten years.

PSR AND GUIDELINES CALCULATIONS

The government agrees with the advisory guidelines calculation contained in the PSR. That calculation is as follows (PSR ¶¶ 29-58).

Offense Level

6: Base offense level – § 2B1.1(a)(2)

+22: Loss greater than \$20 million and less than \$50 million – § 2B1.1(b)(1)(L)

+6: More than 250 victims – § 2B1.1(b)(2)(C)

+2: Violation of a prior, specific judicial order – § 2B1.1(b)(9)(C)

Adjusted Offense Level: 36

Criminal History Category

III

Advisory Guidelines Range

235-293 months

Defendant objects to two of these calculations: the enhancement relating to loss, and the enhancement relating to the number of victims.

A. Applicable Law and PSR Loss Calculation

This Court is not required to “compute the loss with precision; the [C]ourt need only make a reasonable estimate of the loss based on the information available.” *United States v. Bhutani*, 266 F.3d 661, 668 (7th Cir. 2001). Loss is the greater of actual loss or intended loss. *United States v. Rosen*, 726 F.3d 1017, 1024

(7th Cir. 2013); U.S.S.G. § 2B1.1, comment. (n.3(A)). Actual loss means the reasonably foreseeable pecuniary harm that resulted from the offense, and intended loss means the pecuniary harm that was intended to result from the offense, including harm that would have been impossible or unlikely to occur. *United States v. Dokich*, 614 F.3d 314, 319 (7th Cir. 2010); U.S.S.G. § 2B1.1, comment. (n.3(A)(i) and (ii). “In determining the intended loss amount, the district court must consider the defendant’s subjective intent.” *United States v. Middlebrook*, 553 F.3d 572, 578 (7th Cir. 2009).

The PSR adopted the loss calculation endorsed by the Seventh Circuit in the civil case, *FTC v. Trudeau*, 662 F.3d 947, 950-51 (7th Cir. 2011) (*Trudeau II*). That calculation is based on the total amount of money consumers spent on books purchased through the 1-800 number listed in defendant’s infomercials, including shipping and handling, minus returns. *See Trudeau II*, 662 F.3d at 951; PSR ¶ 19-20. Over 850,000 books were sold through the 1-800 number, totaling over \$39 million, and over 57,000 books were returned for partial refunds, totaling over \$1.4 million. Government Exhibit 1; PSR ¶¶ 19-20.¹ The difference, and the total amount of loss calculated by the Seventh Circuit and PSR, is over \$37 million. *Trudeau II*, 662 F.3d at 951; PSR ¶ 19. The PSR found that the actual and intended losses from defendant’s crime were the same. PSR ¶ 35. In addition, defendant’s profit from books sold through the fraudulent infomercials was at least \$5 million. Government

¹ The refunds were partial because customers were not refunded money they had already paid for shipping and handling when the customers received the books. Customers also had to pay for additional shipping and handling to return the books. *See* pages 26-28 below.

Exhibit 2; PSR ¶ 2; *FTC v. Trudeau*, 572 F. Supp. 2d 919, 925 (N.D. Ill. 2008) (noting that this is a conservative figure that defendant has not contested).

Defendant does not object to the accuracy of the figures the PSR used to calculate loss, and those figures are not in dispute. But defendant objects to the \$37 million loss amount on the grounds that (1) some unknown number of customers were happy with the *Weight Loss* book and suffered no loss, Dkt. 165 at 12-13; (2) some unknown number of customers might have bought the *Weight Loss* book for reasons other than the lies defendant told about the book in the infomercials, and these customers suffered no loss, Dkt. 165 at 10-12; and (3) even customers who were unhappy received some value from the book, and their loss should be something less than the full price of the book, Dkt. 165 at 13-14. These arguments are meritless.

B. \$37 Million is a Reasonable Estimate of Actual Loss.

1. Defendant Defrauded the Vast Majority of People Who Bought the Book Through the Infomercial.

While there may be a small number of people who were indifferent to the lies defendant told in his infomercials, most people who bought the book after watching the infomercials were victims of defendant's fraud. This is because defendant's misrepresentations in the infomercials were not little fibs—they were bald-faced lies that were at the heart of defendant's scheme to defraud everyone who was listening. Defendant's infomercials promised a dramatic and permanent cure for weight loss based on a simple and inexpensive protocol that was not a diet, but that involved an easy-to-obtain "miracle, all natural substance." The infomercials told

customers that after completing this protocol, customers could eat whatever they wanted and never gain the weight back. These claims were the essence of defendant's sales pitch, and they appeared consistently in each of the three infomercials at issue in this case.

All of these claims were false, and blatantly so. As the Seventh Circuit concluded, rather than describing the book accurately, defendant "loaded" his infomercials with "statements that were patently false," "outright lied," made "blatant misrepresentations," and "repeatedly distorted" the content of his book, "thereby inducing consumers to purchase the book on false hopes and assumptions." *See FTC v. Trudeau*, 579 F.3d 754, 766, 767, 768 (7th Cir. 2009) (*Trudeau I*).

The actual book contains a grueling diet and a labyrinth of often confusing, sometimes contradictory do's and don'ts; involves daily injections of a hormone, hCG, that can only be prescribed by a doctor and that has not been approved for weight loss in the United States; and requires a lifetime ban on foods that most Americans eat every day. If defendant had described his book accurately in the infomercials, book sales would have been close to zero. Defendant, who has made millions defrauding consumers over the course of decades, *see* pages 15-17 below, knew what he was doing. Motivated by greed, defendant lied about the book in the infomercials to convince people to buy the book. In doing so, he not only committed contempt of court, he defrauded nearly everyone who bought the book through the infomercials, and he is accountable for the over \$37 million they spent.

The Seventh Circuit has already reached the same conclusion in the civil case, explaining that:

The consent order was intended to protect customers from deceptive infomercials. The protections, unfortunately, were too weak: Trudeau aired infomercials in violation of the order at least 32,000 times. He should not now be surprised that he must pay for the loss he caused. At a minimum, it was easily within the district court's discretion to conclude that he should. And \$37.6 million correctly measures the loss. The figure is conservative—it only considers sales from the 800-number, not sales in bookstores carrying his “As Seen on TV” titles—and reliable—Trudeau cited this figure himself in briefing *Trudeau I*.

Trudeau II, 662 F.3d 950-51.

With few exceptions, those who bought defendant's book through the 1-800 number were defrauded by defendant's infomercials, and \$37 million is a reasonable estimate of that loss.

2. If Anything, \$37 Million Underestimates the Actual Loss.

The PSR's loss calculation does not include books customers returned for a partial refund, or books sold in retail stores or on the Internet. For these reasons, the actual loss is likely even higher.

The Sentencing Guidelines provide that loss should be reduced by the amount of money returned to the victim “before the offense was detected.” U.S.S.G. § 2B1.1, comment. (n.3(E)(i)). An offense is detected at the earlier of the time a victim or government agency detects it, or the time the defendant knew or reasonably should have known the offense was detected or about to be detected. *Id.*

The customers who returned the *Weight Loss* book discovered their loss based on defendant's fraudulent infomercials when they received the books, read them,

and subsequently demanded a refund. These victims did not need to understand the full scope of defendant's offense, or that his conduct was a crime; they just needed to detect their loss that resulted from defendant's contempt and fraud. *See United States v. Philpot*, 733 F.3d 734, 748-49 (7th Cir. 2013) (holding that defendant was not entitled to credit for paying back stolen government funds after victim discovered loss); *United States v. Peugh*, 675 F.3d 736, 742 (7th Cir. 2012) (holding that defendant was not entitled to credit for paying back proceeds from check-kiting scheme after victim bank demanded repayment) (reversed on other grounds by *Peugh v. United States*, 133 S. Ct. 2072 (2013)). As in *Philpot* and *Peugh*, "the time to determine the loss . . . is the moment the loss is detected." *Philpot*, 733 F.3d at 748 (quoting *Peugh*, 675 F.3d at 742). The victims who were unhappy with the *Weight Loss* book and returned it had discovered their loss from defendant's fraudulent infomercials by the time they demanded a refund. The full amount of the returned books should count toward loss, and the figure should be at least \$39 million, rather than \$37 million. *See* Government Exhibit 1; PSR ¶¶ 19-20.

In addition, the \$37 million loss includes only sales through the 1-800 number advertised in the infomercials, and does not include any book sales through retail stores or the Internet. Total sales of the book through all channels were over \$49 million. PSR ¶ 19. The loss amount should include some of the books sold in stores, because in the infomercials defendant explicitly encouraged people to buy his books in stores, saying, "You can buy this in, in Wal-Marts, in Costcos, in Sam's

Club. You can go to Borders or Waldenbooks.” Government Trial Exhibit 3A at 11.

As the Seventh Circuit has explained:

[I]t is worth emphasizing that the district court showed restraint in calculating the remedial sanction based only on 800-number sales. Most of the sales caused by Trudeau's violation of the court order may have been made through the 800-number, but not all. Out of an abundance of caution—in order to avoid using any questionable figures—the district court decided not to include internet sales or in-store sales of the Weight Loss Cure, even though those books were sold with a conspicuous “As Seen on TV” sticker, making the link between those sales and the infomercial less than speculative. In the end, the district court's careful approach has left us with a reliable and conservative figure—\$37.6 million—that is comfortably within its discretion.

Trudeau II, 662 F.3d at 951.

In light of the Seventh Circuit's holding, defendant's contention that the loss in this case is \$2,000—based on the theory that the only consumers who suffered loss were those who filed complaints with the Better Business Bureau and the FTC, *see* Dkt. 165 at 18-19—is absurd.

3. Loss Should Not Be Reduced Based on Customers' Reliance on Defendant's Personal Story.

Defendant suggests that some customers might have bought his book not because of the lies defendant told in the infomercials, but because of the “compelling story” defendant told in the infomercials about his own experiences losing weight under the protocol described in the book. Based on this possibility, defendant contends that the total sales of the book cannot be tied to his misrepresentations of the book. Dkt. 165 at 11-12. The Court should reject this argument.

First, it is impossible to separate defendant's personal story from the lies he told in the infomercial. As demonstrated by the infomercial transcripts admitted at trial, defendant frequently ornamented his personal story with lies about the book. Among other things, he said:

- "I personally did the protocol. No hunger, no deprivation, no exercise." Government Trial Exhibit 1A, p. 12 ln 31-32.
- "I've been off the program now . . . guess what I can eat? . . . Anything." Government Trial Exhibit 1A, p.8 ln 9-17.
- "I can eat whatever I want now, anything and as much as I want any time I want. No restrictions now. And the weight's not coming back. You don't gain the weight back." Government Trial Exhibit 1A, p. 12 ln 32-34.
- "When I finished this protocol . . . I'm eating anything I want." Government Trial Exhibit 2A, p. 13 ln 15-17.

More fundamentally, defendant's central contention in the infomercials—that he tried the protocol, lost 45 pounds in 45 days, and then decided to write the book to share this knowledge with the world—is a simple lie. As discussed in more detail below, defendant concocted the idea of making infomercials to sell a weight loss book before he ever lost any weight, and when defendant started making infomercials to sell the book, the book did not yet exist. Defendant's personal story, like his other statements in the infomercials, was a fraud designed to make him money.

4. Loss Should Not Be Reduced Based on the Value of the Book.

Defendant contends that customers whom defendant defrauded by inducing them to buy his book based on lies might have nevertheless received some value

from the book, and this value should offset the amount of loss. Dkt 165 at 8. Defendant does not specify how much the loss should be reduced, or how the Court would calculate this figure. In fact, no such reduction in loss is appropriate.

Defendant's book was admitted as an exhibit at trial, and the Court can make its own determination of the book's value. In light of what defendant claimed about his book in the fraudulent infomercials, the actual book is worthless. As described above, defendant promised an easy, permanent cure for obesity, but delivered a punishing diet and a crippling list of food restrictions that last for the rest of your life. The book was not what defendant said it was, and it failed to deliver on any of the central promises defendant made about it in the infomercials. The Court should not reduce the loss amount based on the supposed value of the book.

In the civil case, the Seventh Circuit has already held that \$37 million is a reliable and conservative estimate of the actual loss defendant's contempt caused to consumers. That the present case involves criminal rather than civil contempt does not change consumers' loss. There is no doubt that the actual loss from the offense was over \$20 million, and the PSR correctly applied a 22-level enhancement.

C. \$37 Million is a Reasonable Estimate of Intended Loss.

If the Court is uncertain about the proper measure of actual loss, the Court may look to intended loss, where \$37 million is again a reliable figure.

As discussed above, in the infomercials, defendant chose to lie repeatedly about his book in order to sell more books, and make more money. The jury properly found that defendant's subjective intent was to willfully violate the court order by

misrepresenting the content of the book: when defendant lied in the infomercials, he did so knowing, or recklessly disregarding, that his conduct was wrong. And defendant intended his lies to induce as many listeners as possible to buy the book. Therefore, defendant's intended loss—the pecuniary harm he intended to result from the offense—is, at a minimum, the full amount customers paid for the books through the 1-800 number from the infomercials.

For purposes of calculating intended loss, it does not matter that some customers might have actually been happy with the book, or that some customers might have bought the book for reasons other than defendant's lies in the infomercials. While those issues could affect actual loss, they do not affect the loss defendant intended when he made the infomercials. In order to sell more books, defendant wanted every potential consumer to believe he or she was buying a simple and permanent weight loss cure, that this cure was not a diet, and that when customers were finished, they could eat anything they wanted and never gain the weight back, when, in fact, all of these claims were false. This is parallel to other instances of consumer fraud, such as the crime in *United States v. Kimoto*, 588 F.3d 464 (7th Cir. 2009), where the defendant created telemarketing scripts designed to make consumers believe they were buying a credit card when, in fact, they were buying a debit card. *Id.* at 496 n.37. In *Kimoto*, the Seventh Circuit affirmed the district court's calculation of \$39 million in intended loss, which was the total revenue generated by the sale of defendant's products, and the Court rejected many of the same arguments defendant makes here. *Id.* at 495-96 & n.37.

Specifically, the court of appeals explained, “that some prospective purchasers did not want the card, could not purchase the card, or were not fooled does not affect [defendant’s] intent.” *Id.* The same is true here.

The Seventh Circuit has explained intended loss as follows:

[T]he amount of the intended loss, for purposes of sentencing, is the amount that the defendant placed at risk by misappropriating money or other property. That amount measures the gravity of his crime; that he may have hoped or even expected a miracle that would deliver his intended victim from harm is both impossible to verify and peripheral to the danger that the crime poses to the community.

United States v. Lauer, 148 F.3d 766, 768 (7th Cir. 1998).

Defendant placed at risk the full amount of money of every customer who bought his book as a result of the lies in the infomercial. The customers’ loss of that money was not simply reasonably foreseeable to defendant, it is the amount defendant intended to induce from his listeners through fraud. This amount is at least \$37 million.

D. The PSR Correctly Concluded There Were More Than 250 Victims.

Defendant claims that even though he sold over 850,000 books through fraudulent infomercials, there were only 67 victims of defendant’s fraud, because that is the number of people who complained to the Better Business Bureau or the FTC about the book. Dkt. 165 at 21. The Court should not take this contention seriously.

The guidelines define a “victim” to include “any person who sustained any part of the actual loss determined under subsection [§2B1.1](b)(1).” U.S.S.G. § 2B1.1

comment. (n.1). “In other words, whereas the loss calculation can be based on either actual or intended loss, the estimation of the number of victims is limited to those who incurred part of the actual loss.” *Kimoto*, 588 F.3d at 496. Thus, this Court’s task is to make a reasonable estimate of the number of people who bought defendant’s book as a result of defendant’s deceptive infomercials. *Id.* at 496-97.

As discussed at length above, the vast majority of the approximately 850,000 who bought defendant’s book through the infomercials were victims of defendant’s fraud. The requirement of 250 victims is 0.029% of 850,000. That defendant’s infomercials defrauded more than 0.029% of the book’s customers is a certainty.

Even if the Court took the most conservative possible approach and counted as victims only those who discovered defendant’s fraud and returned the book for a partial refund, the number of books returned was 57,000—more than 200 times the required 250 victims. *See* Government Exhibit 1. Given the difficulty of returning the books (described in more detail on page 27 below), the number of people who wanted their money back but did not make returns was certainly much higher. The Court should apply the enhancement for more than 250 victims.

**THE § 3553(a) FACTORS SUPPORT
A SENTENCE OF AT LEAST TEN YEARS.**

The advisory guidelines range is 235-293 months, and that range is driven primarily by the loss amount of \$37 million. While \$37 million is the proper measure of loss under the guidelines, it may overstate the seriousness of the offense. Among other things, the guidelines are indifferent to whether defendant’s crime caused many victims to lose a relatively small amount of money, as happened

here, or whether defendant caused a smaller number of victims to lose large sums, thereby causing those victims catastrophic harm and perhaps even financial ruin. Defendant's crime did not cause such harm, and, for that and other reasons, the Court may choose to impose a sentence below the advisory guidelines range. (On the other side of the coin, the guidelines enhancement based on the number of victims cuts off at 250, and defendant victimized many times that number of people.)

If the Court is inclined to sentence below the guidelines, one possibility would be to use as a reference what the advisory guidelines range would be based on defendant's gain from the offense, which is approximately \$5 million.² *See* Government Exhibit 2; PSR ¶ 2. In that case, defendant would be at offense level 32 and criminal history category III, for an advisory guidelines range of 151-188 months. Alternatively, the Court could use as a reference a range based on the most conservative loss amount possible—counting only the books customers returned for refunds—which would produce a loss amount of \$1.4 million. *See* Government Exhibit 1; PSR ¶¶ 19-20. In that case, defendant would be at offense level 30 and criminal history category III, for an advisory guidelines range of 121-151 months.

Whatever approach is adopted, the Court should treat the low end of the lowest possible guidelines range, 121 months, as a floor for any potential sentence. Put another way, the Court should impose a sentence of at least ten years. Such a

² Judge Gettleman ultimately rejected this approach in the civil case, finding that defendant “has made it next to impossible to determine his gain and, as a result, any sanction based on disgorgement of profits would be a wholly ineffectual remedy and would do nothing to deter (and indeed might encourage) further contempt.” *FTC v. Trudeau*, 708 F. Supp. 2d 711, 715 (N.D. Ill. 2010).

sentence would be consistent with recent sentences imposed in this district involving fraud cases with loss amounts far less than \$37 million.³ It would also be consistent with sentences in other districts involving frauds comparable to defendant's.⁴ Moreover, the §3553(a) factors support a sentence of a least ten years, if not higher.

I. History and Characteristics of Defendant

As is discussed in greater detail in the Government's Version of the Offense and the PSR, defendant is an inveterate fraudster and liar. Specifically, defendant's many schemes (which began as far back as 1984) have included:

1. Obtaining credit cards using multiple names, addresses, and social security cards.
2. Using the names and credit card numbers of other people to make unauthorized purchases.

³ See, e.g., *United States v. Fluker*, 08 CR 540 (Feinerman, J.) (180-month sentence for defendant who defrauded approximately 2,000 victims out of approximately \$10 million); *United States v. Anglin*, 06 CR 197 (Gettleman, J.) (180-month sentence for defendant who defrauded over sixty investors out of approximately \$10 million); *United States v. Grosky*, 06 CR 359 (Shadur, J.) (168-month sentence for defendant who defrauded investors of \$32 million).

⁴ See, e.g., *United States v. Chavis*, 04 CR 00009 (W.D. Ok. 2005) (292-month sentence for leader of envelope-stuffing scheme involving approximately 100,000 victims who each lost \$25) (sentence affirmed on appeal in *United States v Chavis*, 461 F.3d 1201 (10th Cir. 2006)); *United States v. Pappalardo*, 11-60190 (S.D. Fla. 2014) (twenty-year sentence for leader of telemarketing timeshare fraud involving \$5 million in loss and approximately 3,000 victims); *United States v. Adams*, 10 CR 006 (N.D. Ga. 2012) (seventeen-year sentence for leader, and ten-year sentence for co-defendant, in telemarketing fraud involving over \$10 million in loss, with individual victims typically losing between \$749 and \$1,495); *United States v. Garten*, 12-30320 (S.D. Ill. 2013) (fourteen-year sentence for defendant in telemarketing fraud involving thousands of victims who lost a total of approximately \$6 million); *United States v. Holmes*, 12-30085 (S.D. Ill. 2013) (180-month sentence for defendant in telemarketing timeshare scheme involving 22,000 victims and \$30 million loss).

3. Opening a bank account using a false Social Security number and representing himself to be a doctor, then depositing bad checks into the account and attempting to withdraw money.
4. Offering to pay a witness against him to withdraw his testimony.
5. Filing a fraudulent application for lost or stolen traveler's checks.
6. Taking money from consumers for services never provided.
7. Failing to file tax returns.
8. Claiming to be a reverend who has the power to grant wishes in exchange for money.
9. Running an illegal pyramid scheme.
10. Deceptively marketing products that ostensibly cure depression, immune suppression, baldness, reading deficiencies, addictions (including addictions to heroin, alcohol, smoking, and overeating), cancer, multiple sclerosis, lupus, heart disease, high blood pressure, and severe pain.
11. Recruiting individuals to join an organization that defendant falsely claimed was formed by 30 billionaires, collecting thousands of dollars from those individuals, and recruiting still more individuals with promised payouts that were never made.

Additionally, the *Weight Loss* book was not defendant's first attempt to make money by claiming he had a cure for obesity. As an example, as early as 1995, defendant claimed that he had discovered mental techniques that allowed him to lose 48 pounds in two months. See *Kevin Trudeau's Mega Memory: How to Release*

Your Superpower Memory in 30 Minutes Or Less a Day, pg. 315. Defendant further claimed that these techniques caused him to never be hungry, and to always be full of energy. *Id.*

The *Weight Loss* infomercials also are not the first time defendant has lied about his weight loss products. With respect to exercise products, defendant has admitted: “I have been in the TV infomercial and direct response industry for over twenty years . . . The advertisements for these products are all false and misleading. I should know because I was involved in the production of many of them.” See *The Weight Loss Cure “They” Don’t Want You to Know About*, pg. 138. Defendant further acknowledged that, with respect to diet pills, patches, and products that claim to burn fat, reduce hunger, increase metabolism, and burn carbohydrates: “For years I was involved in the production of the labels and advertising of these products. Everything about these products is false, misleading, and deceptive.” *Id.* at 139.

In the last two decades, defendant has been ordered to pay more than \$2,500,000 in consumer redress (not including the \$37 million he was ordered to pay in connection with the *Weight Loss* book and infomercial), and to post bonds before selling anything else. Still, he has continued to perpetrate more frauds against consumers. And, as discussed more below, defendant has also engaged in repeated and brazen civil contempts and lies to the Court.

Defendant’s crimes have not been victimless. In addition to the obvious monetary loss associated with the above-described schemes, defendant has also hurt

people who relied upon his advice about their health and well-being. Defendant preys upon the sick who want to be made healthy, the poor who want to become rich, and the insecure who want to feel better about themselves. He exploits consumers' insecurities and weaknesses, promising them an easy fix for whatever hurts or embarrasses them. Certainly, for some of those people, the power of hope and positive thinking carries benefits. But for many, defendant's promises are unfulfilled and even dangerous. For example, the government anticipates that at sentencing an individual will choose to speak about his now-deceased brother's reliance on defendant's *Natural Cures* book when deciding to stop taking his heart medication.

The defendant's background and characteristics include numerous frauds and schemes to make himself wealthy at the expense of others. Given his long history of criminal conduct, he should receive a sentence of no less than ten years in prison.

II. Seriousness of the Offense

The seriousness of the offense further weighs in favor of a sentence of at least ten years' imprisonment. First, despite defendant's claims that he is not responsible for the full severity of the offense because it was ITV that produced and marketed the *Weight Loss* infomercials, the evidence shows that it was defendant who helped organize and lead ITV's sales efforts. Second, despite defendant's claims that the offense was not serious because he was motivated purely by a desire to tell his personal story and help others rather than a desire to gain financially, the evidence instead shows that defendant's plan for profit preceded his book, and that his

motive was greed. Third, both the harm to consumers and the harm to the judicial system weigh in favor of a substantial term of imprisonment.

A. Defendant's Work With ITV

Both at trial and throughout his sentencing pleadings, defendant has attempted to distance himself from the offense by claiming that it was ITV, and not defendant, that was really to blame for the *Weight Loss* infomercials. Among other things, defendant claims that "ITV and not Trudeau, was in charge of all of the administration of the sales, shipping, charges and returns for the books." Dkt. 165-1 at 2. Defendant further claims that "Trudeau was not involved in the mechanics of the sales effort, which was indisputably managed exclusively by ITV." Dkt. 165 at 10.

Defendant's statements are false. Defendant's emails prove that he was intimately involved in operating ITV, and helped organize and lead ITV's sales and marketing of the *Weight Loss* book.

On November 15, 2006, Donald Barrett, the founder and president of ITV, sent an email to defendant asking for defendant's "help and guidance" with ITV. *See* Government Exhibit 3. Specifically, Barrett asked for "a strategy meeting with [defendant] for current and future campaigns." *Id.* Defendant responded and told Barrett, "I will be in Beverly⁵ Sunday and will be at ITV Monday for as long as you guys need me! Looking forward to getting things organized and running smoothly!" *See* Government Exhibit 4. Two days later, defendant confirmed that he would drive

⁵ According to Donald Barrett's signature block on his emails, ITV was based in Beverly, Massachusetts. *See* Government Exhibit 3.

from Chicago to ITV's headquarters in Massachusetts to "organize roll out of weight loss show" and "shoot another 1-4 shows for weight loss" as well as "anything else you need." *See* Government Exhibit 5.

From that point forward, defendant was intimately involved with every aspect of ITV's business. In December 2006, defendant and ITV held a "combined ITV and Kevin Trudeau companies holiday dinner." *See* Government Exhibit 6. In January 2007, defendant told Barrett that he intended "on staying here for a few more months to make sure things are under control and operaating⁶ smoothly and we get out of the financial hole. Then I plan on being here about 1 week per month....maybe more. I really like it here and love coming to the office working with all the guys and you!" Defendant further stated, "We have 2 infomercials that work that we will push hard. More NC and Weight loss." *See* Government Exhibit 7. By the end of January 2007, defendant declared to Barrett, "Lets work together as a team and make it happen!!! Next week I am focusing on the finance dept as sales are coming in stronger." *See* Government Exhibit 8. Defendant also stated, "It should be a firm objective to get the cash scene for all ITV companies good enough so that there has to be only 1 cash call per week.....lets FOCUS on getting things cleaned up to make that happen in Feb!! We need to get out of crisis management mode!!" *Id.*

During this time period defendant:

⁶ Spelling and grammar within emails are replicated as they originally appeared.

- Was copied on the media buys for the *Weight Loss* shows. *See* Government Exhibit 9.
- Attended meetings regarding ITV's order forms, commission pay plans, and sales flow. *See* Government Exhibit 10.
- Obtained information regarding how the *Weight Loss* shows were doing in various markets. *See* Government Exhibit 11, 12.
- Obtained customer service statistics. *See* Government Exhibit 13.
- Held mandatory meetings with the ITV sales staff to discuss what they should say when answering sales calls. *See* Government Exhibit 14.
- Advised Barrett about how Barrett should deal with ITV's lawyers, stating "I suggest you again let legal know that they DO NOT tell sales what to do...but rather give OPINIONS and the EXECS make the decision." *See* Government Exhibit 15.

In March 2007, Barrett acknowledged defendant's key role in ITV's success, stating, "I just wanted again to let you know how forever grateful I am to you for what life has become. Building this ITV Ventures is going to be so much fucking fun and I'm so glad we are doing it together." *See* Government Exhibit 16. Defendant responded that "the feeling is mutual" and that he would be "back in beverly" by the end of the week. *Id.*

By April 2007, defendant was aware that customers were returning the *Weight Loss* book at an unusually high rate. Defendant's suggestions to Barrett included shooting "another weight loss show, or edit the ones we have with a lower

price?” *See* Government Exhibit 17. Defendant remarked, “Maybe people don’t like this book?” *Id.* By the next day, defendant had another potential solution, suggesting, “is there a way we can get hundreds of GOOD comments written on a daily basis on sites like amazon and others? for weight loss and my other books?” *See* Government Exhibit 18.⁷

In short, defendant was an organizer and leader of ITV’s efforts to market and sell the *Weight Loss* book. Defendant’s claims that ITV was making all of the decisions without defendant’s input are just more misrepresentations designed to mislead the Court and minimize the seriousness of defendant’s offense.

B. Defendant’s Financial Motive

Defendant’s claims that his only motive in writing the *Weight Loss* book was to tell a “compelling story” based upon his “personal experience,” and that he had no financial motive to commit the crime are also misrepresentations made in an effort to lessen the seriousness of defendant’s offense. Dkt. 165 at 12. Defendant’s emails show that what he truly cared about was making money off of a weight loss cure. Specifically, the emails show that defendant planned to make infomercials selling a weight loss product before he wrote the *Weight Loss* book and even before he “discovered” the supposed weight loss cure.

⁷ Defendant’s attempts to manufacture hundreds of positive reviews for his book counsel against using the online reviews that defendant cites in his sentencing memorandum as evidence that customers derived value from the book. *See* Dkt. 165 at 13. Another email written by defendant on this same topic stated, “can we start a kevin trudeau fan club website....and a natural cures fan club website..and a weight loss cure fan club web site? With POSITIVE stuff!?” *See* Government Exhibit 19.

In August 2006, defendant wrote to Donald Barrett that he had “put on 30 pounds over the last few months and was thinking of going to a spa for 3 weeks to get in shape for future weight loss info with you.” *See* Government Exhibit 20. By September 2006, defendant had settled on a plan to go “to germany to lose weight and when I come back coming right to boston to shoot weight loss show.” *See* Government Exhibit 21. Thus, as of September 2006, defendant had not yet gone to Germany to try the Simeons protocol, and therefore had no idea if the protocol would cause him to lose weight,⁸ but he already had plans to shoot an infomercial about having lost weight.

Shortly after coming back to the United States, defendant followed through with his plan to film infomercials about a weight loss cure, and specifically began pitching the *Weight Loss* book. One such infomercial was filmed on October 12, 2006. *See* Government Exhibit 22.⁹ In that infomercial, the defendant discusses his *Weight Loss* book. *Id.* The problem is that defendant had not yet written the book. In an email two weeks after defendant filmed the infomercial, he wrote, “working nonstop writing the WL book.” *See* Government Exhibit 23. Still, defendant’s infomercial was released for market testing less than three weeks later. *See* Government Exhibit 24. Defendant followed up about the infomercial’s success on

⁸ Defendant has falsely stated that his inspiration for the *Weight Loss* book was this trip to Germany: “I went to Germany to test this out. I did not invent this, I did not discover it, I found it. I found it and I thought, if it works for me, I’ve been struggling with weight my whole life, I said, then I can tell people about it.” *See* Government Trial Exhibit 1A. Defendant also stated, “I went to Germany to, to really evaluate this and I researched it.” *Id.*

⁹ This is a separate infomercial from the infomercials charged and relied upon at trial.

November 16, 2006 (“lets hope the WL show tests well this weekend!!” Government Exhibit 25), November 17, 2006 (“any results yet from the WL show tests?” Government Exhibit 24), and November 18, 2006 (“any results from WL test? Anything over 30 CPT is a profitable show...” Government Exhibit 26).

Though defendant implies in his infomercials that his personal weight loss discovery in Germany caused him to write a book, which then caused him to film infomercials promoting that book, the truth is that defendant’s greed inspired a plan to make infomercials, which led to a trip to Germany, which eventually led to a book.¹⁰ And the reason that defendant did things in this reverse order was that ITV owed defendant a significant sum of money in the months leading up to the fall of 2006, and defendant wanted to collect.

According to the Stock and Asset Purchase Agreement admitted at trial, on June 16, 2006, defendant sold a number of assets to ITV for \$121 million. Under that agreement, \$1 million was due monthly to defendant. However, ITV was not able to make those payments prior to defendant’s *Weight Loss* infomercials and trip to Massachusetts to organize the roll out of those infomercials.

For example, in July 2006, defendant wrote to Donald Barrett, “I have an URGENT need for the 1 million promised this week. Again...I feel bad about having to ask you again and again for payment.” See Government Exhibit 27. Defendant wrote again in September 2006, “even with the 400k Friday..I am 1.5 million short

¹⁰ The *Weight Loss* book itself further claims that defendant first tried the protocol, and then decided to write a book about it. Defendant wrote on page 15: “First it had to work for me before I investigated further and told the world about this medical weight loss miracle cure.” Defendant repeated this lie to the Probation Officer. See PSR ¶ 22.

of what I had planned for by this date. which is making things VERY difficult. PLEASE do the best you can...as soon as you can!!" See Government Exhibit 28.

In October 2006, defendant's need for money was still on his mind. In an email to Barrett recommending that Barrett "test 2 weight loss shows ASAP or sooner," defendant concluded that this and other things he told Barrett to do "will bring in HUGE \$\$\$\$\$\$\$\$\$\$ NOW and set up HUGE \$\$\$\$\$\$\$\$\$\$ on a going forward monthly basis." See Government Exhibit 29.

But, after the *Weight Loss* infomercials began airing and defendant started working at ITV, things changed. In January 2007, defendant wrote to Barrett, "Thanks so much for getting me some money each week...that is VERY needed! I love working here with you....and feel good about getting paid....it gives me more energy!! :) Things are coming together VERY well!!! 3 more months and ITV all all your companies will be running like a swiss watch!!!!!" See Government Exhibit 30.

After sales of the *Weight Loss* book started to decline, defendant's financial condition again deteriorated. In June 2007, defendant emailed Barrett, "I really do need to get some money. I really need to get money now and on a consistent weekly basis. PLEASE." See Government Exhibit 30. Defendant followed up with Barrett a few days later, telling Barrett, "need some money in a big way." See Government Exhibit 31.

To quote the defendant: "If you want to get rich, write a book on how to lose weight." See Government Exhibit 32. Defendant himself has admitted that "[d]eceptions, lies, and false and misleading advertising are at an all[-time high.

Remember, it's always all about the money." *The Weight Loss Cure "They" Don't Want You to Know About*, pg. 69. He has further admitted that "everyone who endorses products does so for three reasons. Money...money...and money." *Id.* at 140. At least in these three instances, defendant told the truth. In June 2006, he sold all of his assets to ITV, which allowed him to claim that it was ITV, and not defendant, that was producing and marketing defendant's infomercials. When ITV could not pay the \$1 million a month it owed him, defendant first developed a plan to make ITV and himself more money and then helped ITV to carry it out. Defendant did so claiming that his only motive was to help people who were struggling with their weight as he had, when in fact defendant was desperate for the money that he knew the book and infomercials would generate. This extensive planning and deception demonstrates that defendant's crime is far more serious than he will acknowledge, and that a considerable sentence is appropriate.

C. Harm to Consumers and the Court

The harm to consumers and the harm to the judicial system also demonstrate the seriousness of the offense.

With respect to the harm to consumers, defendant continues to deny that he misled or injured anyone by his conduct. However, as is discussed in greater detail above, at the very least there were 57,000 customers who did not see any value in defendant's book. For those 57,000 customers who were able to return the book, each still lost the shipping and handling charges ITV imposed, which were a hefty \$9.95 for each book (customers also had to ship the book back, paying the return

shipping fees on their own). Thus, even when a customer was able to return the book, ITV and the defendant made money, because ITV kept the \$9.95 less the nominal amount it actually cost to ship the book in the first place.¹¹

But where ITV and defendant really made money was by making the process of returning the book so difficult that it discouraged returns at all—allowing ITV and defendant to keep the full price of the book as well as shipping and handling (between \$24.90 and \$39.90). Among other things, the customer complaints speak to ITV not answering the phones during business hours and not returning messages, thereby preventing the customer from receiving the required “Return Authorization number,” and either not acknowledging that the return had been received and/or not refunding the money for several months after several customer attempts. *See, e.g.*, FTC_002-001261, 1265, 1272, 1278 (submitted on CD with the Government’s Version of the Offense).

Additionally, for each of the “free” books that defendant advertised in his infomercials, customers had to pay another \$9.95 shipping and handling *for each book*. Thus, some customer complaints discussed ordering one book for \$29.95, and then ending up with \$59.95 in charges – nearly \$30 of which was non-refundable. *See, e.g.*, FTC_002-000002, 1339 (ITV’s VP of Customer Service states in response to a customer complaint, “shipping is nonrefundable as per our written return policy”).

¹¹ Defendant’s argument that ITV could not have profited because the \$9.95 also includes “handling” is absurd. ITV paid less than \$4.00 per *Weight Loss* book. *See* Government Exhibit 33. Thus, the \$29.95 price tag – or even the \$14.95 price tag—more than accounted for the limited overhead associated with the book’s distribution.

Finally, as ITV's sales script shows, and customer complaints confirm, numerous customers also received recurring monthly bills of \$5.95 for a "free" newsletter they did not want but found it nearly impossible to cancel. *See, e.g.*, Government Exhibit 34, FTC_002-000008, 14, 17.

By spreading out the charges for shipping and handling, "free" books, and "free" newsletters, and making the cancellation or return of these items actually or nearly impossible, ITV and defendant were able to bleed money from consumers a little at a time, while still making millions of dollars for themselves. The government acknowledges that this type of fraud is less egregious than stealing a victim's life savings, but it is still serious because of the aggregate harm to consumers, and the costs and difficulty associated with investigating and prosecuting schemes of this type.

With respect to harm to the court, as is discussed in further detail below, defendant has repeatedly lied to this and other courts and disobeyed court orders, and then bragged about his refusal to follow the law, turning his contumacious conduct into a revenue-generating machine. Defendant's constant disrespect for the Court and refusal to follow the law has a significant effect on the efficient operation of the court system, requiring many hours of judicial resources that could be spent elsewhere. Moreover, defendant's use of his contempt for the Court as a money-making scheme negatively affects the public's perception of the Court and its ability to enforce its orders. In these ways, defendant's contempt is far more serious than the "typical" contempt case, which is limited in scope and duration, and is easily

and quickly resolved. A sentence of no less than ten years' imprisonment is appropriate here.

III. The Need to Promote Respect for the Law

A. Defendant's Lack of Remorse.

As befits a man who has been held in contempt of court a total of seven times (six in the civil case and once in the criminal case), defendant has, over the course of years, shown nothing but contempt for the law. As a starting point, defendant has no remorse for the crime he committed in this case. Defendant told the probation officer that he was only “technically” found guilty of making misrepresentations in infomercials, but that he “did not do anything wrong.” PSR ¶ 27. In a Facebook message defendant caused to be sent to supporters on December 19, 2013, he again proclaimed his innocence and likened himself to “all the people that stood silent and did not speak in their own defense...Jesus, Mandela, Gandhi, Chavez.” *See* <https://www.facebook.com/TheKevinTrudeau>. In the defendant's version of the offense, he continues to insist that he committed no crime because everything he said about the book in the infomercials was contained in the book, Def. Version at 11-12, a claim that every fact finder—Judge Gettleman, the Seventh Circuit, and the jury—has rejected as a transparent sham. In public interviews, defendant has belittled the entire contempt case, stating, “I have an insane, ridiculous \$37 million personal judgment against me because I wrote a book and said the diet was easy.” *See* <https://www.youtube.com/watch?v=lgnPnnZvYNw> (from 23:10 to 23:28).

Defendant's lack of remorse is part of a pattern: he has never shown genuine remorse in his long history of frauds. In 1990, defendant was convicted of seven counts of larceny, after he posed as a doctor, opened a checking account using a false social security number, deposited over \$80,000 worth of bad checks into the account, and withdrew over \$27,000. PSR ¶ 56. At the time, defendant blamed his conduct on his housekeeper/governess and his accountant, claimed that he had paid restitution by getting a second mortgage on his house, and said he pleaded guilty to keep his record under seal so that he could run for public office. *Id.* Defendant later told a federal probation officer in Massachusetts that this crime was the fault of his secretary, who had embezzled money from defendant's account, and the probation officer noted that defendant had not, in fact, paid restitution as he had claimed. *Id.* During the presentence investigation in the present case, defendant concocted a third explanation of this offense: he chalked it up to a "banking error." *Id.*

In 1991, defendant was convicted of credit card fraud in the United States District Court for the District of Massachusetts, after he racked up over \$100,000 in fraudulent credit card bills. PSR ¶ 57. According to the presentence report, defendant attempted to pay a \$5,000 bribe to get a witness, one of defendant's employees, to recant his statement implicating defendant in the crime. *Id.*

In the intervening twenty years, defendant's view of the criminal justice system does not appear to have changed. In his *Natural Cures*, book, defendant wrote that the government and the courts are "corrupt, out of control, and operating un-policed." *Natural Cures "They" Don't Want You to Know About*, 237-246. In a

radio program on January 9, 2012, defendant told his audience, “a federal judge said to me directly that if I didn’t give money to certain lobbyists, then my case would never end that the judges would never rule in my favor. If you don’t think judges are corrupt, then you need to read information on our website.” Defendant further elaborated that dozens of the top lawyers in the country had examined his contempt case and told him, “KT this is political. These judges are being told what to do. This is not a judge ruling. This is the politicians and the powers that be controlling the judges and getting them to rule a certain way.”

See http://www.youtube.com/watch?v=WOHUb18I5d8&feature=player_embedded (15:54-16:01, and 17:30-18:10).

After his conviction in the present case, defendant sent emails to a supporter stating, “maybe ed can get to someone in the justice department to get me a short sentence or get to the president for a pardon.” PSR ¶70.

When he isn’t attempting to bribe witnesses, accusing the judges who preside over his cases of corruption, or discussing how to pull political strings to obtain leniency, defendant compares his career of defrauding consumers and violating court orders to the accomplishments of civil rights heroes. Defendant wrote the following in *Natural Cures*:

I have done the unthinkable against the Federal Trade Commission. I said enough is enough. Throughout history there were people that stood up to the Goliaths of the day and said “enough is enough.” Rosa Parks said I am not going to sit on the back of a bus just because I’m black. She stood up to the powers that be and changed a nation. People like Ceasar Chavez, Martin Luther King, and Mhandas [sic] Gandhi stood up to the suppression and tyranny at the time and changed the world for the better.

Natural Cures, 59.

Statements such as this might suggest that defendant is delusional, but a simpler explanation is that he is merely a fraud. Defendant portrays himself as a whistleblower and dissident who is standing up to an oppressive government because this is a successful strategy for promoting and selling his products. As the jacket of *Natural Cures* touts, “Kevin has risked government prosecution to bring you the full story of an intricate conspiracy.” And as defendant declared in infomercials selling the *Weight Loss* book, “Call and get this before the FTC takes it off the market,” and “You can call now before the FTC tries to ban it. I’m sure they’re gonna try to ban the book and smash it.” See Government Exhibit 22 at 10.

Defendant’s track record demonstrates that he violates the law without remorse, and then brags about his crimes to promote himself and his products. But all of this pales in comparison to the contempt for the law defendant has shown in his ongoing civil case.

B. Defendant’s Repeated Civil Contempt

It is difficult to count the number of court orders defendant has violated, and the lies defendant has told, in the civil case. What follows is an attempt to summarize defendant’s actions, which demonstrate a contempt for the law that may be unique.

In June 2010, Judge Gettleman ordered defendant to pay the \$37 million judgment against him “forthwith.” 03 CV 3904, Dkt 372. From that date until approximately the fall of 2012, defendant made no payments toward the

judgment.¹² Instead, defendant lived a lavish lifestyle, spending at least \$12 million from June 2010 to March 2013. 03 CV 3904, Dkt. 729 at 1 (adopting findings in Dkt. 713); Dkt 713 at 20. For example, one week after Judge Gettleman's "forthwith" order, defendant spent over \$4,000 on draperies. 03 CV 3904, Dkt 713 at 20. More generally, from 2010 to 2013, defendant racked up over \$3 million in credit card charges, including for first class airfare, hotels such as the Ritz Carlton and Four Seasons, groceries from Whole Foods, gym memberships, and trips to the salon. *Id.* In 2011, defendant's company paid over \$340,000 for a Bentley. *Id.* at 21. Defendant lived in a mansion in Oak Brook, Illinois, whose rent was \$12,000 per month, and also had a house in Ojai, California, that carried a mortgage of \$3,500 per month. *Id.* at 10, 12. After defendant moved to Switzerland, he spent nearly \$150,000 in 2012 and 2013 to furnish his apartment. *Id.* at 21. And between June 2010 and March 2013, defendant paid more than \$6.7 million in legal fees, including more than \$1.7 million to Winston & Strawn, and over \$5 million to defendant's asset protection specialist, Marc Lane. Judge Gettleman found that the "sole purpose" of the \$5 million paid to Lane was to protect defendant's assets from the \$37 million judgment, in other words, to evade Judge Gettleman's June 2010 order. July 26, 2013 Tr. at 27.

Lane earned his \$5 million by helping defendant create over two dozen domestic and offshore entities, which were nominally run by figureheads such as

¹² In the fall of 2012, after the FTC filed a motion to hold defendant in contempt for failing to pay the judgment, defendant submitted a nominal payment of \$53,951 to the FTC. This remains the only payment defendant has made toward the judgment.

defendant's wife, and which were registered or incorporated in, among other places, Belize, Mauritius, the Isle of Man, the Cook Islands, Panama, and Seychelles. 03 CV 3904, Dkt 713 at 3-9. Through these entities and other measures, defendant went to elaborate lengths to hide his money and avoid paying the judgment against him. In September 2010, three months after Judge Gettleman's "forthwith" order, Marc Lane advised defendant about "opening a bank account in a country which has been identified as not enforcing foreign judgments, and particularly U.S. judgments." *Id.* at 18. After the FTC began asset discovery in an attempt to recover money for consumers, defendant repeatedly instructed associates to move assets overseas, stating:

- "you need to take the lead on getting the gin website on servers outside the USA. . . . anyplace is better than usa."
- "GIN needs a Swiss bank account in Swiss francs[.]"
- "All GIN dues will go to GIN non USA accounts."
- "gin MUST get money out of the usa and into banks overseas...never keep more money in the usa than needed... every company NEEDS accounts OFF SHORE!!!!!!!!!!!!!!"

03 CV 3904, Dkt. 713 at 19.

In July 2012, the FTC moved to hold defendant in contempt for violating the June 2010 order to pay. 03 CV 3904, Dkt 481. Defendant responded by proposing a consumer remediation plan that would allow him to resume making infomercials, a prospect that Judge Gettleman rejected.

The notion that this court would allow, not to mention trust, Trudeau to participate in any fashion in the administration of the court's remedial sanction by re-enter[ing] the infomercial business is

preposterous in light of Trudeau's duplicitous and contumacious history with this court and the thousands of consumers he has deceived. Trudeau has little to no credibility with the court. . . .

03 CV 3904, Dkt. 494.

On January 25, 2013, defendant filed a sworn financial statement in the civil case. In the statement, defendant claimed that a bank account he controlled in Australia contained "under \$1,500," when, in fact, it contained over \$130,000. Government Exhibit 35 at 2. Defendant claimed that his only personal property was \$2,000 worth of clothing, even though he spent more than \$15,000 in one trip to a men's clothing store in Switzerland only months before. 03 CV 3904, Dkt 713 at 23. Defendant failed to disclose that he owned any jewelry, even though less than a year before he had purchased \$12,000 cufflinks. Government Exhibit 36. Defendant also denied knowing his wife's address, whether she was employed, and whether she owned any personal property, including jewelry. 03 CV 3904, Dkt 713 at 23. Judge Gettleman found that the financial statement was "a sham," January 26, 2013 Tr. 32-33, and that it contained a "false representation under oath." October 16, 2013 Tr. 35. This echoed Judge Gettleman's finding that one of defendant's previous sworn financial statements was "not worth the paper it is printed on." *FTC v. Trudeau*, 572 F. Supp. 2d 919, 925 (N.D. Ill. 2008).

In May 2013, defendant was interviewed by ABC News. During the interview, defendant acknowledged living a lavish lifestyle, boasted about his success in avoiding the \$37 million judgment, and defiantly stated that the money he was spending was "not my asset."

See <https://www.youtube.com/watch?v=lgnPnnZvYNw> (from 20:57 to 21:45, and from 23:10 to 23:28).

The government encourages the Court to watch the video of these exchanges, as defendant's words and demeanor demonstrate his defiance, lack of remorse, and contempt for the law better than quotations on a page ever could.¹³

On July 26, 2013, Judge Gettleman held defendant in contempt of court for violating the Court's June 2, 2010 order to pay the \$37 million judgment—defendant's third civil contempt. 03 CV 3904, Dkt. 729. Specifically, Judge Gettleman found that defendant had engaged in an "elaborate scheme" to put his assets "beyond the reach of the FTC," 03 CV 3904, Dkt. 713 at 18, that defendant's violation of the court order was "willful," and that defendant "took every effort that he could to hide, conceal and remove from the United States any assets or revenues that might have given him the ability to comply with the order." July 26, 2013 Tr. at 27-28. Judge Gettleman further concluded that defendant "used [his] money—or at least a substantial portion of it—to live a lavish lifestyle. . . . This is not a man who has made any effort to meet his obligation. And, remember, that obligation stems from what I found to be, and what the Court of Appeals has affirmed to be, deliberate contempt by misrepresenting the nature of the book that he wrote. It's just one lie after the other after the other." *Id.* at 29. As part of the contempt order, Judge Gettleman also ordered that a receiver be appointed to "marshal and hold Trudeau's assets for the purpose of paying the FTC" the \$37 million judgment, and

¹³ The government will provide these clips on a CD before the sentencing hearing.

ordered defendant “to cooperate fully with the Receiver and comply with the Receiver’s directions. . . .” 03 CV 3904, Dkt. 729 at 2-3.

On September 18, 2013, Judge Gettleman held defendant in contempt for a fourth time for having spent and transferred money for attorney’s fees that were not approved by the court, spending money that went far beyond ordinary living expenses, and failing to be “fully cooperative or candid” with the receiver. 03 CV 3904, Dkt. 751. Judge Gettleman ordered defendant to be incarcerated overnight to coerce him to cooperate with the receiver, and defendant was released from prison the next day. 03 CV 3904, Dkt. 751, 753.

On October 17, 2013, Judge Gettleman held defendant in contempt for a fifth time, explaining that defendant “has continued to claim falsely that he has and controls no assets,” when in fact defendant “attempted to conceal foreign bank accounts and tangible assets that . . . he controls or is able to control.” The Court also noted that defendant “has failed to account for millions of dollars paid to him as commissions and funneled to entities that . . . are in his control.” 03 CV 3904, Dkt. 773 at 2. Judge Gettleman explained, “When I entered that receivership order, I thought I gave the message loud and clear to Mr. Trudeau. It didn’t work. . . . I put him in the MCC for one night only to give him the message that I expected full cooperation. . . . That didn’t work either. I don’t really have any alternative but to order Mr. Trudeau incarcerated until he complies with the conditions that I set out in that order. And I hope that the message finally gets through to him.” October 16, 2013 Tr. at 37. Judge Gettleman again ordered defendant into custody, and

defendant was incarcerated from October 22 to October 28, 2013, days before his criminal trial began. PSR ¶ 101. After the jury convicted defendant of criminal contempt on November 12, 2013, this Court ordered him detained pending sentencing.

On November 21, 2013, Judge Gettleman held defendant in contempt for a sixth time. 03 CV 3904, Dkt. 801. This finding followed the receiver's report that on September 20, 2013, defendant told the receiver for the first time that defendant had "just remembered" a bank account in Zurich, Switzerland. But bank records showed that as recently as August 2013, defendant caused to be transferred approximately \$74,000 out of the account, despite Judge Gettleman's orders to defendant not to dispose of any of his assets. 03 CV 3904, Dkt. 796. Judge Gettleman again ordered defendant incarcerated to coerce his compliance with the \$37 million judgment, and ordered that defendant not receive credit in his criminal case for any time served. 03 CV 3904, Dkt. 801.

In January 2014, Judge Gettleman explained why defendant remained incarcerated for civil contempt.

We've had a history of Mr. Trudeau violating Court orders and being held in contempt. We've had a history of Mr. Trudeau making statements that are just not true. We've had a history of Mr. Trudeau making partial disclosures, and then we find that maybe a little bit of it was right, but it wasn't right. We have a history of Mr. Trudeau and Mr. Lane trying to foist off this ridiculous financial statement that I've already found is not worth the paper it's written on.

January 30, 2014 Tr. at 41. The Court went on to note that, “I beseeched Mr. Trudeau to be more honest with us. And when it didn’t happen, this is the result.” *Id.* at 44.

Defendant’s conduct in the civil case—and the contempt he has shown for the law and the orders of the United States District Court for the Northern District of Illinois—is breathtaking. To date, defendant has been punished for none of this conduct. Indeed, defendant has repeatedly insisted that Judge Gettleman has no civil contempt power to punish him for previous bad acts, such as dissipating his assets on luxury goods, or hiding his assets from the FTC and the Court, in the face of a \$37 million judgment. Rather, Judge Gettleman has ordered defendant incarcerated solely to coerce him to comply with the court’s orders, which he has still failed to do.

This Court should consider defendant’s defiance, obstruction, and perjury in the civil case as part of defendant’s history and characteristics and the need to promote respect for the law, and should weigh it as a significant aggravating factor that favors a hefty prison sentence.¹⁴

¹⁴ Defendant insists that a significant sentence of incarceration is unreasonable because when Judge Gettleman issued the original criminal show cause order in 2010, he capped the potential sentence at six months. *E.g.*, Dkt. 165 at 3-4. This ignores that: (a) this Court, not Judge Gettleman will decide what is the appropriate sentence, and this Court decided long ago to lift the six-month cap; (b) six months is plainly an inadequate sentence in light of the sentencing guidelines and § 3553(a) factors described above; (c) Judge Gettleman capped the sentence without the benefit of a PSR or a full accounting of defendant’s thirty-year career of fraud; and (d) over the last four years, defendant has been busy hiding assets, filing false financial statements, and violating court orders, and Judge Gettleman has held defendant in civil contempt four times and has incarcerated defendant for four months to coerce defendant’s compliance with his orders.

IV. The Need To Protect the Public From Defendant and For Deterrence

Defendant is an unrepentant, untiring, and uncontrollable huckster who has defrauded the unsuspecting for thirty years. He is the type of person the Court should expect to defraud his fellow inmates while in custody, and to continue to commit fraud into old age. He appears capable of nothing else.

Defendant has lied, repeatedly, to state and federal judges and probation officers. He has repeatedly filed false sworn statements in court. He has violated more court orders than one can count. He has been held in contempt of court seven times.

Given this, it is probably naïve to think that any criminal sentence will deter defendant. Defendant's two previous criminal convictions and sentences of two years in state prison and two years in federal prison did not deter him from devoting years of his life to consumer fraud and contempt of court. None of Judge Gettleman's repeated threats to incarcerate defendant stopped him from lying and violating the court's orders. The most this Court can hope to accomplish is to incapacitate defendant during the time he is in prison. This sentencing factor strongly favors a sentence that is measured in a decade or more.

The need for general deterrence also favors a stiff sentence. Defendant is a public figure, profiled in the national media, and covered closely by the press in Chicago. For years, the media has exposed defendant's lies to consumers, and his violations of court orders. This Court's sentence will send a message about those

who prey on the vulnerable and unsophisticated, and who treat orders from federal judges as mere suggestions that may be ignored with impunity. The message should be that people who engage in such conduct—and who celebrate their crimes to make more money for themselves—will pay a significant price.

CONCLUSION

For these reasons, the government respectfully requests that the Court sentence defendant to at least ten years in prison.

Respectfully submitted,

ZACHARY T. FARDON
United States Attorney

By: /s/ April M. Perry
APRIL M. PERRY
MARC KRICKBAUM
Assistant United States Attorneys
219 South Dearborn Street
Chicago, Illinois 60604

Government Exhibit

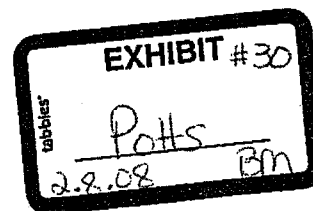
1

Summary**CONFIDENTIAL****Sales**

		Data	
year	month	Sum of count	Sum of total rev
2006	12	459	\$ 21,563
2007	1	14,519	\$ 730,286
	2	128,044	\$ 6,540,139
	3	157,813	\$ 7,932,718
	4	72,550	\$ 3,786,676
	5	33,239	\$ 1,686,562
	6	29,310	\$ 1,348,426
	7	128,507	\$ 4,985,467
	8	144,388	\$ 5,579,510
	9	92,389	\$ 3,557,571
	10	50,887	\$ 1,903,332
	11	26,406	\$ 976,828
Grand Total		878,511	\$ 39,049,079

Returns

		Data	
year	month	Sum of count	Sum of total revenue
2007	1	3	\$ (110)
	2	1,904	\$ (52,794)
	3	7,679	\$ (242,404)
	4	10,342	\$ (284,007)
	5	8,571	\$ (243,176)
	6	6,473	\$ (204,613)
	7	7,529	\$ (185,052)
	8	6,758	\$ (100,438)
	9	5,079	\$ (76,274)
	10	2,208	\$ (37,151)
	11	636	\$ (6,899)
Grand Total		57,180	\$ (1,432,918)



Government Exhibit

2

Perseus Books Group
Vangurrd Press

Royalty Statement for Period Ending November 30, 2007

Author: Kevin Trudeau
Work: The Weight Loss Cure "They" Don't Want You To Know About
Company: Alliance Publishing Group
Cover Price: \$24.95

Pub'd 3/2007

ISBN # 097878510X

		Sep-07 <u>Totals</u>	Oct-07 <u>Totals</u>	Nov-07 <u>Totals</u>	Cumulative <u>Totals</u>
Gross Sales	Units	126,063	89,111	49,028	900,255
Special sales to Trudeau-No Royalties Paid		-	-	-	-
Actual Returns	Units	(10,208)	(4,195)	(3,273)	(68,475)
Net Sales	Units	115,855	84,916	45,755	833,780
Reserve for Returns	Units	(1,528)	462	(28,222)	(42,199)
Net Reported Sales	Units	114,327	85,378	17,533	791,581

<u>Royalties</u>	831,504.10	826,615.98	143,323.71	5,316,369.11
------------------	------------	------------	------------	--------------

Advance Amount	"On execution" payment	(25,000.00)
Future Advance	Payment(s) to be confirmed	(75,000.00)

Expenses:

Total Royalty Due: \$831,504.10

CONFIDENTIAL

KT 00694

FTC EX 30-31

Government Exhibit

3

From:
Sent: Wednesday, November 15, 2006 9:16 PM
To: kevintrudeau@[REDACTED]
Subject:

KT,

Things really need to be turned around here in Beverly. I could really use your help and guidance in getting thru this fucking mess.

Neil and team have been great. If you could help me roll out the Org board with VFP's that would be the best place to start. Then I really need to have a strategy meeting with you for current and future campaigns.

What your schedule look like next week?

Donald

Donald Barrett
Founder and President
ITV Direct, Inc.
55 Cherry Hill Drive
Beverly, MA 01915
Phone: [REDACTED]
Fax: [REDACTED]
Email: [dbarrett@\[REDACTED\]](mailto:dbarrett@[REDACTED])

Government Exhibit

4

From: KevinTrudeau@[REDACTED]
Sent: Monday, November 20, 2006 9:50 PM
To: dBarrett@[REDACTED]
Cc: jMaihos@[REDACTED]
Subject: (no subject)

how is everything? I am excited about the Weight Loss show test results! I will be in Beverly Sunday and will be at ITV Monday for as long as you guys need me! Looking forward to getting things organized and running smoothly! Looks like 2007 will be a RECORD BREAKING YEAR!!!

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

Government Exhibit

5

From: KevinTrudeau@[REDACTED]
Sent: Wednesday, November 22, 2006 2:04 PM
To: dBarrett@[REDACTED]
Subject: (no subject)

the plan next week for me is to:

- do ORG board
- finish book on CD for More NC
- organize roll out of weight loss show
- shoot another 1-4 shows for weight loss... ..
- anything else you need me for.

I arrive in Beverly at the condo late afternoon or early evening Sunday..I am driving from Chicago.

cool?

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

Government Exhibit

6

From: Neil Sant <neilsant@[REDACTED]>
Sent: Saturday, December 23, 2006 10:06 PM
To: kevintrudeau@[REDACTED] Donald Barrett <dBarrett@[REDACTED]>
Subject: holiday

KT & Donald,

On Thursday, we are having a combined ITV and Kevin Trudeau companies holiday dinner. I think it would be a good idea to have a 2 to 5 minute message to express appreciation, rally the troupes and talk about the great things ahead in 2007. If it is possible, could you, together either record a video or even audio that could be sent as a DVD or cd to me on Wednesday? I think it would go over well. Over the past several years, I have spoken on behalf of KT, and I will do so again to edify you both, but I think this a good opportunity for you both to create a warm fuzzy while speaking in generalities...

Best,

Neil

Government Exhibit

7

From: kevintrudeau@[REDACTED]
Sent: Wednesday, January 10, 2007 7:23 AM
To: dBarrett@[REDACTED]
Subject: hi!!

Hope you are well!! Keep calling roger at the FIRST sign of anything!! :):):)
 Things are looking VERY GOOD on all fronts. I intend on staying here for a few more months to make sure things are under control and operaating smoothly and we get out of the finacial hole. Then I plan on being here about 1 week per month...maybe more. I really like it here and love coming to the office working with all the guys and you! The big item I see now is Bob. He is going around the chain of command changing orders, giving new or different orders and generally undermining the control and command structure. I think this can be fixed next week by having a heart to heart with him about this, and quietly telling people not to break the chain of command. Also..by giving him a project that will take all of his time and keep him occupied in a constructive manner helping the mission. All fine. We have 2 infomercials that work that we will push hard. More NC and Weight loss. Rice and shine is being retested and if works will roll out into our call center in 4-6 weeks. I do need some clarity of Peter the media buyer as he says to everyone basically fuck off....I take orders only from Bob or donald. LOL A minor irritation! LOL Lets plan on meeting friday and go over the speech and flow of the weekend! All very good. I feel like we will be out of the finacial crisis in 6-8 weeks and current with all bills. If we put Bob on ventures, i can give him very specific direction. I am meeting with bob today after lunch and will tell him gently but candidly that the role of EVP is to ask questions and verify things in the co and make sugeestions to the CEO...NOT give orders to the staff. The post also is to work on FUTURE projects that then get turned over the OPERATION staff to implement. This is VITAL to stop the chaos and frustration of staff which I am dealing with on a daily basis. Moving forward and winning!!! :)

Check out the new AOL. Most comprehensive set of free safety and security tools, free access to millions of high-quality videos from across the web, free AOL Mail and more.

Government Exhibit

8

From: Neil Sant <neilsant@[REDACTED]>
Sent: Wednesday, January 31, 2007 4:24 PM
To: kevintrudeau@[REDACTED] dBarrett@[REDACTED] Jeff.Jackson@[REDACTED]
Cc: 'Bob Maihos' <bMaihos@itvdirect.com>
Subject: RE: please foward to Bob M

From: kevintrudeau@aol.com [mailto:kevintrudeau@[REDACTED]]
Sent: Wednesday, January 31, 2007 3:20 PM
To: dBarrett@[REDACTED]; Neilsant@[REDACTED] Jeff.Jackson@[REDACTED]
Subject: please foward to Bob M

It should be a firm objective to get the cash scene for all ITV companies good enough so that there has to be only 1 cash call per week.....lets FOCUS on getting things cleaned up to make that happen in Feb!! We need to get out of crisis management mode!! We can do it!! Lets work together as a team and make it happen!!! Next week I am focusing on the finance dept as sales are coming in stronger.

Kevin Trudeau

Check out the new AOL. Most comprehensive set of free safety and security tools, free access to millions of high-quality videos from across the web, free AOL Mail and more.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Government Exhibit

9

From: Matthew Ribaudo
Sent: Friday, January 12, 2007 5:15 PM
To: Katie Reid <kreid@[REDACTED]>; Emily Carson <ecarson@[REDACTED]>; Karen Cushman <kCushman@[REDACTED]>
Cc: Jesse Jalbert <jJalbert@[REDACTED]>; Jim Lottman <jlottman@[REDACTED]>; Michael R. Loconte <mloconte@[REDACTED]>
Bcc: Donald Barrett <dBarrett@[REDACTED]>; Steve Paris <steveparis@[REDACTED]>; Matthew Ribaudo <mRibaudo@[REDACTED]>; Felipe Correa <fcorrea@[REDACTED]>; Chris Meusel <cmeusel@[REDACTED]>; Campaign Management <CampaignManagement@[REDACTED]>; Jason Bernabei <jBernabei@[REDACTED]>; kevintrudeau@[REDACTED]
Subject: Campaign Media Projections + Campaign Codes / 4 Weeks Out

Team-

In follow up to this afternoon's meeting, here are the projected media guidelines for **More Natural Cures** and the **Weight Loss Cure** show over the next four weeks. There is a lot of work and communication entailed in this project, so in order for this to work we all need to be focused, committed, and working together in reaching these targets...

More Natural Cures

Plan: We are going to be shifting the majority of our media buying over from Mercury to Euro for MNC. This is going to require new tapes and 800#'s. All media bought by Euro for MNC will be sent over to LiveOps. The call source will be **NC0Z** (Zero).

Mercury will continue to buy a small amount of media for MNC with 80% of that going to LiveOps and 20% to West. The call source for LiveOps will be **NCMT** and for West **NCMV**. All versions are the assumptive newsletter show with the disclaimer.

Here is a breakdown of the MNC media projections with estimated tape requests:

Euro – NC0Z (More Natural Cures)

<u>Week</u>	<u>Media Target</u>	<u>Tape Request</u>
1/22	\$100,000	150
1/29	\$200,000	150
2/5	\$400,000	150
2/11	\$800,000	200

Mercury – NCMT & NCMV (More Natural Cures)

<u>Week</u>	<u>Media Target</u>	<u>Tape Request</u>
1/22	\$500,000	???
1/29	\$350,000	???
2/2	\$200,000	???
2/9	\$100,000	???

Weight Loss Cure

Plan: The goal here is to reach \$1 million + a week in media ASAP. Mercury is going to be the primary media agency for this show with the majority of the calls (80%) going to West. This call source will be **WLMS**.

We will continue to run Mercury bought weight loss media into ITV Teleservices to supplement the calls at this center until the Rice-n-Shine show is ready for full roll-out. The call source for ITV will be **WLM1**, and this will be about \$50k a week.

To start, the remaining 20% of the Mercury Weight Loss media will be sent to LiveOps under the call source **WLMT**.

The version of the Weight Loss show that we are rolling out is the latest with Donald, Kevin, the assumptive newsletter and disclaimer.

Here is a breakdown of the Weight Loss media projections with estimated tape requests:

Mercury- WLMS, WLM1, & WLMT (Weight Loss Cure Show)

<u>Week</u>	<u>Media Target</u>	<u>Tape Request</u>
1/22	\$150,000	100
1/29	\$400,000	250
2/2	\$700,000	150
2/9	\$1,000,000	150

Again, all tape requests are ESTIMATES; it could be more –it could be less.

ITV Media and Hoover Marketing will concentrate on building up Rice-n-Shine and getting as much media as possible to run into ITV Teleservices at a 2.0 ratio or better. In the meantime, they will pick up a few Weight Loss buys here and there to keep calls coming into ITV.

If anyone has any ?'s please see Jesse Jalbert, the relevant CM, or myself to clarify. Let's make sure we all pull together and make this happen!

Thank you,

-Matt

Matt Ribaudo
Vice President of Sales & Marketing
ITV

██████████ (office)

██████████ (mobile)

mribaudo@██████████

Government Exhibit

10

From: kevintrudeau@[REDACTED]
Sent: Thursday, January 25, 2007 7:39 PM
To: dBarrett@[REDACTED]
Subject:

Jack is setting up a meeting with all reps tomorrow afternoon to go over the new manual order forms...commission pay plan....commission forms...and the correct sales flow...and the fact that rice and shine will be the only show running till further notice...except for drag...you being there and me would be good.

Kevin Trudeau

Check out the new AOL. Most comprehensive set of free safety and security tools, free access to millions of high-quality videos from across the web, free AOL Mail and more.

Government Exhibit

11

From: Matthew Ribaudo
Sent: Thursday, February 8, 2007 11:01 PM
To: Donald Barrett <dBarrett@[REDACTED]>; Steve Paris <steveparis@[REDACTED]>; Felipe Correa <fcorrea@[REDACTED]>; kevintrudeau@[REDACTED]
Subject: FW: West v. LiveOps for WL
Attach: TM COMP 2.05.07.xls

Here is a further breakdown of how LiveOps and West are performing on the WL show. These numbers support Felipe's P/L report that shows LiveOps as more profitable right now.

From: Matt Hermes [mailto:MHermes@[REDACTED]]
Sent: Monday, February 05, 2007 7:00 PM
To: Matthew Ribaudo
Cc: Jesse Jalbert
Subject: TM COMP 2.05.07.xls

Hey Matt and Jesse,

Here are the Weightloss head to head telemarketing results to date for West and Liveops. Calls per 1000 are both over 60 but Liveops holds the edge in the overall ratio.

West does have a larger media sample and more aggressive budgets so it should be a little lower overall.

I did not get the ITV internal numbers for this week, apparently there was some issue. Roy said we should have the results for tomorrow.

Let me know if you have any questions.

thanks

Matt

Government Exhibit

12

From: Felipe Correa <fcorrea@[REDACTED]>
Sent: Friday, February 9, 2007 8:16 AM
To: Matthew Ribauda <mRibauda@[REDACTED]>; Donald Barrett <dBarrett@[REDACTED]>;
 Steve Paris <steveparis@[REDACTED]>; kevintrudeau@[REDACTED]
Subject: RE: West v. LiveOps for WL

This is what my numbers show:

**WEIGHT LOSS SHOW
 RESULTS COMPARISON
 WEST vs. LIVEOPS**

WEEK	CONVERSION RATE		ROI	
	WEST	LIVEOPS	WEST	LIVEOPS
1/21/2007	59.91	66.53	80.37	69.67
1/28/2007	58.01	59.36	49.62	101.46
1/29/2007	59.11	59.01	64.73	94.29

Best,

Felipe

From: Matthew Ribauda
Sent: Thursday, February 08, 2007 11:01 PM
To: Donald Barrett; Steve Paris; Felipe Correa; kevintrudeau@[REDACTED]
Subject: FW: West v. LiveOps for WL

Here is a further breakdown of how LiveOps and West are performing on the WL show. These numbers support Felipe's P/L report that shows LiveOps as more profitable right now.

From: Matt Hermes [mailto:MHermes@[REDACTED]]
Sent: Monday, February 05, 2007 7:00 PM
To: Matthew Ribauda
Cc: Jesse Jalbert
Subject: TM COMP 2.05.07.xls

Hey Matt and Jesse,

Here are the Weightloss head to head telemarketing results to date for West and Liveops. Calls per 1000 are both over 60 but Liveops holds the edge in the overall ratio.

West does have a larger media sample and more aggressive budgets so it should be a little lower overall.

I did not get the ITV internal numbers for this week, apparently there was some issue. Roy said we should have the results for tomorrow.

Let me know if you have any questions.

thanks

Matt

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Government Exhibit

13

From: Felipe Correa <fcorrea@[REDACTED]>
Sent: Thursday, February 15, 2007 3:17 PM
To: Donald Barrett
Cc: Steve Paris <steveparis@[REDACTED]>; Jack Freeman
<jfreeman@[REDACTED]>; Catherine Ratcliffe <cratcliffe@[REDACTED]>;
Matthew Ribaud <mribaud@[REDACTED]>; Michael Allen
<mallen@[REDACTED]>; Kevin Trudeau <kevintrudeau@[REDACTED]>
Subject: Customer Service stats
Attach: Customer Service Stats.pdf

Donald,

Attached you will find Customer Service stats.

Best,

Felipe

Government Exhibit

14

From: James Pierro
Sent: Thursday, January 25, 2007 5:28 PM
To: DMC Sales <DMCSales@[REDACTED]>
Subject: Mandatory Meeting on Friday 1/26/07 With Donald Barrett & Kevin Trudeau in the Studio.

Team,

Donald Barrett & Kevin Trudeau will be holding a mandatory meeting on Friday 1/26/07 at 3:00 pm in the ITV Studio. This will

be to discuss our new manual ordering system. We will also be discussing our new compensation plan and using a different

script path on the sales calls. These are very important developments and all sales reps must attend.

See you there.

James Pierro

General Sales Manager

ITV

[REDACTED]

jpierro@[REDACTED]

Government Exhibit

15

From: kevintrudeau@[REDACTED]
Sent: Thursday, January 25, 2007 7:28 PM
To: dBarrett@[REDACTED]
Subject: Re: Numbers

thanks. The flyers need final approval first thing in the morning. You have to decide based on comments from legal. I suggest you again let legal know that they DO NOT tell sales what to do...but rather give OPINIONS and the EXECS make the decision...if in doubt...it goes up chain of command to you....this is the case now...YOU have to decide. :)

Kevin Trudeau

-----Original Message-----

From: dBarrett@[REDACTED]
To: kevintrudeau@[REDACTED]
Sent: Thu, 25 Jan 2007 7:24 PM
Subject: Numbers

Kevin,

Here are our numbers

Susan
[REDACTED]

Katherina
[REDACTED]

Thanks,
Susan

Check out the new AOL. Most comprehensive set of free safety and security tools, free access to millions of high-quality videos from across the web, free AOL Mail and more.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Government Exhibit

16

From: kevintrudeau@[REDACTED]
Sent: Sunday, March 4, 2007 10:41 AM
To: dBarrett@[REDACTED]
Subject: Re:

well done!! the feeling is mutual! Off to mexico for a few days of sun to recharge...be back in beverly friday. Love ya!

Kevin Trudeau

-----Original Message-----

From: dBarrett@[REDACTED]
To: kevintrudeau@[REDACTED]
Sent: Sat, 3 Mar 2007 9:45 PM

KT,

All is great! I'm in Idaho at the Coeur d Alene Resort. We had over 200 people Friday night for an open opp meeting and 150 Ibo's came back for a 4hr training this morning. It was my best performance to date. I had no anxiety and every word just flowed. I can't sleep I'm so excited. (no joke)

I just wanted again to let you know how forever grateful I am to you for what what life has become. Building this ITV Ventures is going to be so much fucking fun and I'm so glad we are doing it together. Your the BEST!

Donald

AOL now offers free email to everyone. Find out more about what's free from AOL at AOL.com.

Government Exhibit

17

From: KevinTrudeau@[REDACTED]
Sent: Tuesday, April 3, 2007 11:11 AM
To: dBarrett@[REDACTED]
Subject: Re: FW: Walmart.com Shipment Confirmation 2677209614482

I did not know about this. Tell me what works for you? When we put Natural Cures in the stores the show still did fine....maybe we shoot another weight loss show, or edit the ones we have with a lower price? Maybe people don't like this book? I do not know why the high returns...very strange. What do you want to do?

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

See what's free at AOL.com.

Government Exhibit

18

From: KevinTrudeau@[REDACTED]
Sent: Wednesday, April 4, 2007 12:46 AM
To: dBarrett@[REDACTED]
Subject: (no subject)

is there a way we can get hundreds of GOOD comments written on a daily basis on sites like amazon and others? for weight loss and my other books?

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

See what's free at AOL.com.

Government Exhibit

19

From: KevinTrudeau@[REDACTED]
Sent: Wednesday, July 4, 2007 10:36 AM
To: dBarrett@[REDACTED]
Cc: steveparis@[REDACTED]
Subject: (no subject)

can we start a kevin trudeau fan club website....and a natural cures fan club website..and a weight loss cure fan club web site? with POSITIVE stuff!? Thoughts?

See what's free at AOL.com.

Government Exhibit

20

From: KevinTrudeau@[REDACTED]
Sent: Wednesday, August 2, 2006 1:54 PM
To: Donald Barrett <dBarrett@[REDACTED]>
Subject: (no subject)

sounds GREAT!!! What are your priorities for me? I was planning on coming there next week. But I have put on 30 pounds over the last few months and was thinking of going to a spa for 3 weeks to get in shape for future weight loss info with you and other TV stuff....what do you think?

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

Government Exhibit

21

From: kevintrudeau@[REDACTED]
Sent: Monday, September 11, 2006 10:45 AM
To: Donald Barrett <dBarrett@[REDACTED]>
Subject: Re: List Biz

everything went GREAT here..miss you at era ..wish I was there...off to germany to lose weight and when I come back coming right to boston to shoot weight loss show and smoking show. Hope you can come troigh with cash this week and next...need that to keep things afloat with IPT... :)

-----Original Message-----

From: dBarrett@[REDACTED]
To: kevintrudeau@[REDACTED]
Sent: Sat, 9 Sep 2006 6:06 AM
Subject: RE: List Biz

KT,

Hope all is going well in Reno. Sorry to hear that you wont be in Vegas. Is it possible for you to make it back to Boston for Sept 30?

We are having our ITV Ventures blast off meeting at the Peabody Marriott. Were expecting over 200 IBO's for this event. There's already about 700 IBO's signed up. And were growing bigger each day.

As you probably heard we having some challenges with our Merchant Accounts. This will be rectified soon!

Donald

From: kevintrudeau@[REDACTED] [mailto:kevintrudeau@[REDACTED]]
Sent: Friday, September 08, 2006 10:32 PM
To: Donald Barrett
Subject: Fwd: List Biz

potential big money..

-----Original Message-----

From: Reno@[REDACTED]
To: KevinTrudeau@[REDACTED]
Sent: Fri, 1 Sep 2006 12:27 PM
Subject: List Biz

KT,

Just a reminder re our names deal with Quality Resources. Great if you could connect me with the appropriate individual at I.T.V.

Perhaps we can meet up at ERA to discuss? As you know, I have a long standing relationship with the Principals and under our current deal, have quietly generated significant incremental revenue for the company, while maintaining the integrity of the list which was always our intention. I would like to continue with this if at all possible. Might perhaps even explore additional similar opportunities for ITV as well.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Government Exhibit

22

Weight Loss Cure

Co-Hosts: Donald Barrett and Amber Wright
Guest: Kevin Trudeau

Transcribed by:
Patricia Melendy

Shoot Date: October 12, 2006

DB: Hi, thanks for watching. My name is Donald Barrett and I'm here with my co-host today, Amber Wright, and we're going to be talking about weight loss. We're going to be talking about what many people are calling a medical breakthrough in the weight loss arena. It's really be call really being called a weight loss cure. In the studio with us today is author of the New York Times best selling book, *"Natural Cures They Don't Want You to Know About"*. And he's here today to talk about his brand new book...fuck. Let me just start over.

DB: Hi, thanks for watching. My name is Donald Barrett and I'm here today with my co-host, Amber Wright, and today we're gonna to be talking about weight loss. We're gonna to be talking about a medical discovery that many people are calling a weight loss cure. With us in the studio today is Kevin Trudeau, author of the New York Times best selling book, *"Natural Cures They Don't Want You to Know About"*. He's here today to talk about his brand new book, *"The Weight Loss Cure They Don't Want You to Know About"*. We have a very controversial show on tap so stay with us. Kevin thanks for being on the show.

KT: My pleasure.

AW: Thank you.

DB: First, tell us about this cure.

KT: Well the book, *"The Weight Loss Cure They Don't Want You to Know About"* describes what I have discovered was discovered by a medical doctor doctor about 35 years ago as a way to cure obesity and cure weight gain in people. It's the first and only cure for obesity. It's not my cure. It was discovered by a medical doctor and used by

M.D.'s around the world to cure the causes why people are overweight. Now, for people at home that have 10, 20, 30 pounds to lose or more, no one really addresses what is the true cause of being overweight. We always hear, "well, you eat too much and you don't exercise; or you eat the wrong types of food". That is not the problem. The problem is the hypothalamus gland in the brain regulates metabolism and hunger and also regulates where fat is stored. When the hypothalamus gland gets messed up, this is what Dr. Simeons discovered 35 years ago...

DB: Um hm.

KT: ..what occurs in a person is their hunger goes up dramatically. They're always hungry and people that are overweight know that no matter how many diets they go on or what they they do, they're always hungry. If they go on a diet and get off it, they're hungry again. So hunger is the first problem. The second problem is a person's metabolism. When a person is overweight or has a weight problem, they're not burning calories like a thin person. Now, Amber, you're thin, you know we've talked earlier. You've always been thin. So, when you eat normal fo.. amounts of food, you burn it off.

DB: But is-isn't it true that as you get older that your metabolism slows down anyways?

KT: It doesn't have to. It can, but it doesn't have to. But in overweight people, the metabolism is abnormally very low. Which means even if they eat just a small amount of food, they ga they gain weight 'cause their body's not burning it off.

DB: Hmm.

KT: So the real problem with obesity or weight, it's not a person's fault, their metabolism is abnormally low. It's a medical condition. Next they're always hungry. They're really hungry 'cause they you know they're they're they ate a lot of food but they're still really hungry. I mean, "I'm hungry."

DB: Right. You see people after their meal they're still foraging on food.

KT: Right. And the...

DB: Right.

KT: ...third rea...and the other the other reason is the hypothalamus stores fat in the wrong places. There's three places where the body stores fat and this is all described in

the book. It's all the research done by the M.D.'s, not mine, I'm just reporting on what the...

DB: Right, so I-I think that's important for you to say because th-this is not your cure for the audience out there. E-even in your first book, they're not your cures.

KT: Right. I I use this myself. I'm going to talk about that. But the the the doctors have discovered this and the thousands of patients and all the double blind studies showed that this cures the problem. And I want to mention how. I mentioned metabolism is abnormally low when a person's overweight. Two. They're always hungry. Three. A person's overweight, eats when they're not hungry. They have uncontrollable urges to eat. That's addressed in the cure. I talk about that in the book. The th...the last thing is the hypothalamus gland actually stores fat in the wrong places. Your body stores fat structurally around the joints, the ahh internal organs, that's good fat. You're al...your body also has fat throughout the body in normal fat reserves. But your body also has what's called secure or abnormal fat reserves. For women these are in the hips, the thighs and the buttocks.

DB: And that's always the toughest fat to lose, right?

AW: Yes.

KT: Correct. And in guys, around the midsection, ah in the upper chest...

DB: Little little pot bellies.

KT: Correct. This these secure fat reserves never get released no matter how much diet and no matter how much exercise you do.

DB: That's why we see people that lose weight and they still look disfigured.

KT: Correct.

DB: Right?

KT: That's correct. So they're not burning these these secure fat reserves and there is not a diet on planet earth, there's not a weight loss program or pill on planet earth that allows the body to lose these problem areas...the fat in women around the the hips, the thighs, the buttocks. So, even though they lose weight in the scale, they're losing structural fat so they have a painful heel, or they lose muscle. They're not losing the abnormal fat or the problem area fat. So what this doctor discovered was there was an all-natural substance that he discovered that when taken triggers the hypothalamus to do

several things. One. It raises your metabolism. So now when you eat normal amounts of food, your body burns it off, you don't gain more weight.

DB: Gotcha. So you're always at a...you're always burning your fat.

KT: Correct. You you you you're body's being normalized.

DB: Okay.

KT: Next. When you take this substance and do the protocol that the doctor discovered and used, your hunger goes to virtually zero. You become normal. When you eat a small amount of food and you're full, you're full. You no longer have these incredible hunger pains. The other thing is does is it triggers, and this is the most important, when you do the weight loss cure and take the substance that's described in the book, it triggers the release of the secure fat reserves in the body. All this means is when a person does this they dramatically reshape the way their body figure looks. They're losing the fat reserves. I mean, I'm sure you have friends who are always struggling with the hips, the thighs, the buttocks.

AW: Oh yes. It's the number one question I get asked is you know, how do I target these areas. So,

KT: Right. And you can't target and this is the problem. You can't target it with exercise because you you've seen aerobics instructors who still have all the flab.

DB: Right.

AW: Yeah.

DB: And th-this weight loss cure does you're not gonna say, get on the treadmill two hours a day. Right?

KT: No, there's no exercise required. Now this was discovered by a medical doctor over 35 years ago; one of the top British military doctors. He discovered this. He opened up a clinic at a Roman hospital and started treating members of royal families all throughout Europe and Asia. They would come into the clinic to lose weight and be cured of their future weight pr-problems. He also treated celebrities.

DB: So you you're saying they don't even gain the weight back?

KT: No, you never gain the weight back 'cause it cures the cause. Think about it. A person is overweight today because their metabolism is low and their hunger is high and their body is abnormally storing fat in these in these secure reserves. When you correct

that problem and lose all the fat, trim down dramatically, when you finish the program, what what is occurred? Because it cured the problem, when you finish the the the the protocol, their metabolism is high, which means when you go back to eating normally, French fries, potato chips, ice cream, pizza, pasta, ah steak, whatever, mashed potatoes and gravy...

DB: Doesn't matter, you're burning it off still.

KT: You're burning it off. The second thing is because it cured the cause, what's the other cause? High hunger, high appetite. When you finish the protocol, your appetite is normalized. All of a sudden you eat a normal amount of food and you're full. And then thirdly, if you do eat a little bit more, it doesn't store it in the secure, abnormal fat reserves. So you don't gain the weight back. You're not gonna to be struggling with weight your whole life. You're not gonna have to exercise your whole life. Exercise, of course, is good and recommended.

DB: Wh-wh-why haven't we heard about this up until now? It's been available for 35 years.

KT: Well, thousands of people have done this. Now I just did I just did it recently. I just went to Germany to do the research. I went to the clinic. It was under the supervision of an M.D. I went down to the M.D.'s office every morning for my weigh-in and measurements. I did it 21 days and I can report and I tell this in the book, I had no hunger whatsoever. I did no exercise during the test. None. Zero. I virtually sat around playing cards all day to make sure I wasn't even movin' around. And here's what the weight loss was. In 21 days, I dropped 29 pounds. But more importantly, I didn't lose muscle. I lost all the fat so my I my my sh.. my waist dramatically shrunk. There were women there who were losing a pound a day, but their hips and thighs and buttocks were shrinking out of control. Everyone's clothes were so big. People looked younger. They had more energy. It's not my cure. It's a medical doctor's discovery and it is a cure. And the and the answer to your question, why aren't we hearing about it today in America?

The diet industry is a 20 billion dollar per year industry. The diet industry...

DB: Yeah, with new diets coming out all the time. There's a new diet...you know.

KT: Diet food. Diet pills.

DB: There's the grapefruit diet, this diet, that diet, the Atkins diet, the South Beach diet.

KT: And people buy all this exercise equipment to lose weight. So everything is about losing weight.

DB: So, Kev...where can people pick up your book, for our audience that wants wants to pick your book up.

KT: Well, the book is called, "*The Weight Loss Cure They Don't Want You to Know About*". It's vir-virtually the last weight loss program you'll ever need to go through. The first chapter is lose 30 pounds in 30 days. Under the protocol, and I say right in the book, people who've done the program you'd lose around a pound per day with no hunger and no exercise. It resets your metabolism, raises it up dramatically. You do the program from 21 days to 6 weeks, losing about a pound a day. I describe this, this is all described in the book. It's easy to do and very inexpensive. When you're done with the program, you are cured of future weight gain because your hypothalamus is reset according to the doctors. Your metabolism is higher. Your hunger is lower and your body's not gonna to store fat in the secure or problem areas. Ah. Th-the abnormal fat reserves. So the program loses the fat in the abnormal fat reserves. Your body is completely and dramatically reshaped with no hunger, no exercise.

DB: Sounds good to me.

AW: Yeah.

KT: You can...the book the book is not available in the stores yet. It will be very soon. It's \$29.95. You can call the number on the screen and get it. Describes the program and when you get it, we'll also give you a free trial subscription to the Natural Cures.com website and newsletter.

DB: Now Amber was asking me before the show, is is this a drug or is it natural?

KT: Well, the the the natural substance is in America is classified as a prescription medication. So, it's available by prescription only. But it's very inexpensive. The reason that you're not hearing about this cure and the reason why the FDA hasn't approved this as a weight loss cure, but it can be used by anybody here in America or anywhere in the world, is because as I mentioned the diet industry is making so money selling diet food. They want people to be fat.

DB: Yeah, they've been selling diet food for the last 10-20 years and Americans are fatter than ever before.

KT: Correct. If anybody....

DB: Why why are Americans so fat? I mean let's talk about that for a second.

KT: Well, the the food industry is actually making us fat because they want to sell more food. And that's the fact. I described that in my first book, "*Natural Cures*" that the food industry is purposely making us fat by putting ingredients in the food that increase our appetite, affect the hypothalamus and make us fatter and also get us physically, chemically addicted to....

DB: And you were telling me there's thousands of chemicals that they can put into these foods without even putting them on the label.

KT: Correct and I describe that in the book about why we're fatter today and why the hypothalamus got messed up. There's another reason why this cure is not being released in America. The drug companies are putting hundreds of millions of dollars into research to try to find a patentable drug that they can get approved by the FDA and sell to people that are overweight and it ain't gonna work because it's not gonna address the cause of obesity.

DB: Right. So they're out there trying to scramble to find something like like...

KT: This is a non-patentable cure....

DB:when they came out, they came out with Phen Phen and Redox and all those people had the...I would I would be scared to death to try any pharmaceutical drug for weight loss.

KT: Yes, now right, right in the book I give you the results for people and we couldn't show the pictures but I showed you earlier the pictures of the women, specifically the hips, thighs and buttocks, the before and afters up-upstairs because of confidentiality issues we can't show them on air but weren't those unbelievably dramatic? The shrinking of the hips, the thighs and the buttocks in those pictures.

DB: It's unbelievable because so many people lose weight but they still have them in those problem areas. I said to you the other day, I said, "you know you people lose weight, they still look like an eggplant".

KT: Right. The the problem is there's not a diet in the world, not the South Beach diet, not the Atkins diet, not the Sugar Buster's diet. There's no program, there's no pill, not Slim Fast, nothing, nothing, nothing that people have tried to lose weight gets to the cause and the cause is the hypothalamus gland is making your metabolism low. Nothing addresses that so as soon as you stop the diet, you immediately gain all the weight back. Also, nothing is addressing the abnormal fat reserves. So even if you go on a diet and lose some weight, you're losing muscle and you're losing structural fat, so you get the painful joints. You're not losing the problem areas. Those fat reserves will never go away. This cure, this protocol that Dr. Simeons, M.D. developed, gets at the cause of obesity. It resets your metabolism and makes it go higher, permanently, It resets your ahh ability to burn the st the stored problem area fat so when you do the program, you're not losing muscle, you're not losing structural fat, you're losing the problem area fat. It's burning off even when you're sleeping. That's why pe-people can lose a pound a day, but more importantly their whole body is reshaped. Now right in the book I give a whole bunch of examples right out of the doctor's medical files. I wan this is amazing and it is common. Individual results do vary, but the facts are and even in double blind placebo-based studies that everyone loses these abnormal fat reserves and restructures their body, virtually 100%.

DB: And that's over 35 years. I mean it's been going on for over 35years.

KT: A free search the abstracts have been written, the doc the documentation is there and the drug companies don't want people to know the truth. Now listen to this weight loss. Ten pounds in seven days. Twelve pounds in seven days. Eight pounds in seven days. Ten pounds in seven days. Twelve pounds in fourteen days. Fourteen pounds in fourteen days. Seventeen pounds in fourteen days. Twenty-one pounds in fourteen days. These are right out of the medical records and I have them listed right here in the book. Twenty-nine pounds in twenty-one days, that was me. Twenty pounds in twenty-one days.

DB: Now this is without diet or exercise.

KT: There's no exercise whatsoever. There's a specific ahh amount of food you have to eat. But look at this in thirty days. Thirty-five pounds, patient, in thirty days. Twenty

eight pounds, in thirty days. Thirty-one pounds, in thirty days. Thirty-eight pounds, in thirty days. Forty pounds, in thirty days.

DB: Let me ask you this. Is it safe to lose that much weight that fast?

KT: Well, according to the doctors, yes. And again, it's not my opinion. According to the doctors who used the protocol and see the results, there are two potential downsides when you do the protocol. It's very easy to do and inexpensive. When you do the protocol and take the substance, your metabolism's gonna up dramatically. Your hypothalamus is gonna start instantly releasing and burning the hard to lose areas, the problem fat areas, the abnormal fat reserves.

DB: Do you lose weight in those areas first?

KT: Instantly. That's all you lose. That's where you dramatically shrink so your clothes get bigger instantly. There is no hunger. Here is the potential problem. Because you have no hunger, you have to eat food and some people just aren't hungry.

DB: Right. So you gotta like eat to live type of thing.

KT: Yeah. You have to eat the food. The second thing is some people lose weight a little too fast. You should lose around a pound per day and that's what most people lose. Some people lose two or three pounds per day. Now somebody is on this for seven days and lose twenty pounds, they're gonna be pretty excited but it's generally just a little too quick according to the doctors. So the person does this and starts losing weight too fast, I tell you in the book what the doctor's recommendations are to slow down that weight loss. You're not losing the fat the muscle. You're not losing the structural fat. You're losing the abnormal fat reserves and your body is completely reshaping and the key, because it's being called by the doctors a "cure", is, according to the doctors and I tell you right in the book, that when you finish the protocol within three to six weeks, depending on how much weight you want to lose, and you go back to eating normally, you're cured. Which means your metabolism is high when it was before abnormally low. So now you can eat regular amounts of food like a normal person...

DB: Right.

KT: ...and your body burns it off so you don't gain the weight back.

DB: A-and it's perfect timing 'cause so many people are trying...th-there's not many drugs on the market for weight loss, but so many people are getting their stomach stapled today or elastic bands around their stomachs so so they don't eat.

KT: It's insanity and the cau.. the cause of this is the food companies are making us fat.

DB: Where where can people pick up the book, Kevin?

KT: Again, if people want want the book it's called the "*Weight Loss Cure They Don't Want You to Know About*". It's not available in the stores yet but it will be soon. You can call now before the FTC tries to ban it. I'm sure they're gonna try to ban the book and and smash it. Aah \$29.95. Call the number on your screen. It's unconditionally guaranteed. If you need to lose weight, this is the only, the only, the only medical discovery that can cure obesity by a medical doctor, not me. I'm just reporting on it. I've used it myself. I've struggled with weight my whole life and this cure's the problem. Your metabolism goes up. Your hunger instantly goes away and you'll never gain the weight back according to the doctors. Call the number on your screen. You also get a free subscription to the Natural Cures.com website, a newsletter for a trial period.

AW: Now Kevin, who do you recommend should use this program?

KT: Well, I think anyone out there that needs to lose around 15 pounds or more can use this with spectacular results because it's the easiest way to lose weight and you're losing the fat not the muscle, so you reshape your body. So it's the easiest thing to do 'cause you have no hunger, you don't have fatigue, you're not grumpy, you can e-eat food...

DB: Grumpy's a big one.

AW: Oh yeah. (laugh) That was one of my other questions. Your energy level.

DB: Right.

KT: Your energy your energy level's when you go through the protocol goes up dramatically but the key is when you're finished the protocol, you don't gain the weight back. Your metabolism is high, so you can eat normal amounts of food and your appetite, your hunger, is low. Everyone who's overweight, and you don't know this, but everyone who's overweight, Don, ...

DB: Yeah, yeah, thanks (Laugh)

KT: Well because we have friends like that ourselves, we're hungry.

DB: Well, I'm always up and down. I'll lose 20 pounds then I'll you know gain 20 pounds, then I'll lose it. Put it on like a yo-yo.

KT: People who are overweight eat for two reasons. A, they're hungry. Thin people don't know; we're really hungry. It's not willpower. People who are overweight know we're really hungry. You ate a big meal and we're not full. So the hunger goes to normal. So you...for the first time an overweight person goes through the cure. They finish the cure, they look at a bunch of food, they eat it and they can't eat all of the food because their hunger is normalized. The other reason people ah ah overeat is because they eat when they're not hungry. It's super cravings. They crave Hagan Daz ice cream, potato chips, chocolate.

DB: Right. Even when they're not hungry.

KT: Even when they're not hungry.

DB: That's...you know.

KT: And I talk about in here the cure for that. I had a friend who was aah discovered that particular cure on CNN. The host was a chocoholic. She says, "I'm addicted to chocolate. I have to eat it all day long".

DB: Like a lot of us.

AW: Yes. (laugh)

KT: I mean an uncontrollable urge to eat chocolates. Some people that's with potato chips or M&M's or cookies or Hagan Daz ice cream or whatever. And he said, "well would you like to you know still enjoy the chocolate but eliminate the uncontrollable urge". She said, "sure". So, during the break aah she pulled out some chocolate out of her purse 'cause she always carried some with her for emergencies.

AW: Always do.

KT: She opened it up and he said, "Smell it and imagine how wonderful the chocolate's going to taste". Of course she did. Her eyes rolled back and he said, "on a scale of 1-10, what's your urge, your desire to eat that chocolate?" She goes "oh, it's like an eleven". He said, "good, let me use the technique". He used the technique, sixty seconds. He said, "what's your urge now?" She looked at it and said, "I don't want it".

He said, "N-now, smell it. Imagine how luscious and delicious the chocolate's going to taste". So she did and she did, "Uggh".

DB: Right. I know exactly what you're talking about cause I-I've used that technique myself. It's miraculous.

KT: It's surprising....

DB: It's almost like magical.

KT: It's that it eliminates the uncontrollable urge to eat when you're not hungry. You eliminate the food cravings so there's no hunger, there's no exercise. When you ff..when you do the protocol, you lose the abnormal fat reserves, a pound per day. Some people lose 2 and 3 pounds per day, that's according to the doctors and that's all all I'm doing is, all I'm doing is telling you what's in the book. It's all in there. I'll tell you how to do the protocol from the doctors like exactly what I did to lose the weight.

DB: So once you get this natural substance in in your body, it just takes effect really. You don't have to do anything else.

KT: It's pretty You don't do anything else. There's specific st-steps you take but they're very easy to do. When-when you do the protocol, your hunger goes to zero, your energy levels go up and you burn the fat reserve so your body reshapes. When you finish the protocol, you don't gain the weight back. Your hunger is normal for the first time. A person's overweight, imagine, they look at a bunch of food and they go, "I can't even eat it all".

DB: Right.

KT: It's normalized. Your metabolism is up so you don't gain the weight back and when you look in the mirror, you look younger, you have more energy, you feel better about yourself and your body is re-shaped. The-the thighs go down in the women and you saw the pictures upstairs.

DB: I mean-mean, they're they're amazing. I wish we could have brought them on the show.

KT: It shrinks.

DB: But we didn't get them to sign off on it.

KT: It shrinks and I and I was there in the in-in the medical doctors' office looking at all the files, all the Hollywood celebrities that have done this, secretively. All the

members of royalty. When I was there two weeks ago the king of a Asian country was there getting the treatment.

DB: And is it safe, Kevin, is it safe?

KT: According to the doctor who's been doing this for 35 years.

DB: So it's not something that came out six months ago or three months ago, this has been going on for years.

KT: Thirty-five years. Developed and discovered by a medical doctor. All I'm doing is reporting on it. I've been searching for a weight loss miracle my whole life for myself. This was the simplest and easiest thing I ever did to lose weight. More importantly, I lost the fat not the muscle and I don't have to be dieting and struggling the rest of my life. I can go to a restaurant, eat whatever I want normal. My hunger is normal for the first time. My metabolism is high so I can drink beer, I can eat ice cream, eat pasta or steak or whatever I want.

DB: So it's not like any other....it's not even a diet, really.

KT: It's....no.

DB: It's a cure.

KT: It's, it's...

DB: That's what it's being called by a lot of different people, not just yourself.

KT: The medical doctors call it a weight loss cure because it addresses the cause of obesity and nothing else has.

DB: That that that's you know what's exciting about this is everybody ah ah that struggles with weight, has lost weight but they gain it back.

KT: And when they lose the weight when they're on the diet they're miserable.

DB: Yeah, yeah.

KT: Hungry, they're lethargic...

DB: Grumpy, you're right.

AW: Oh yeah.

KT: They're always saying I can't eat this, I'm hungry, I'm hungry, I'm hungry and they're and they're struggling, they have d-depriving themselves of pleasure. When you do this, there's no deprivation of pl-pleasure. There's nothing out there period that is like this, nothing. And it's being suppressed by the FDA. It's being suppressed by the

medical community 'cause they're trying to get a drug approved by the FDA so they can make billions of dollars.

DB: So they can make billions of dollars on it.

KT: It's being suppressed by the diet industry because they don't want to lose all the money selling diet food that that doesn't work and it's being suppressed by the food industry. So it's it's it's well, here here's the book. It's called, "*The Weight Loss Cure They Don't Want You to Know About*". \$29.95. If you want to lose weight, the medical doctors are calling this a cure. I've done it myself. I lost 29 pounds in 21 days. No hunger, no exercise. Pick up the phone and call right now. You'll also get a free subscription, trial subscription, to Natural Cures.com website and newsletter. Ahh, not available in the stores yet. Get it. Unconditional money back guarantee.

AW: How long does it typically take aah to be on the program?

KT: Well, it depends aah on how much weight you want to lose. Twenty-one days to six weeks. That's three to six weeks. The six weeks is the maximum aah then you have to stop the program. If you need to lose more weight, you have to wait six weeks before you do it again.

DB: Right. Now what are the what's the typical weight loss? You were reading some of ...in-in the book. About thirty pounds in thirty days?

KT: Yeah. The typical is a pound a day. And some people lose more than that, but a pound a day is pretty much the standard. Not the average, it's the standard. When you go on this, the majority, vast majority, lose one pound every single day or more. That's according to the doctor's own clinical research.

DB: Now ahh in this country is it is it controversial? I know it's not in other countries, but here in America.

KT: Yeah. It's controversial because again it's gonna affect the profits of all the industries. The food companies wanna sell more food. They're making us fat. The food companies are putting ingredients in the food to increase your appetite, get you chemically addicted to the food and make you fat. They're doing it on purpose. So they're lobbying Congress to stop anything that will reduce people's weight which will reduce their consumption of food. So the food companies don't want this. The drug companies don't want it 'cause they're trying to patent drugs and get approved by the

FDA so they can make billions. And the diet industry doesn't want it because they want to continue to sell worthless diet products that don't work.

DB: Right.

AW: (unintelligible)

DB: Okay. We only have a minute left. Is there any last thoughts you wanna share with us?

KT: Yeah...I've struggled with weight my whole life. If you have weight to lose and have tried everything, I can tell you this can be the cure you have been praying for. Once and for all, the last diet system you'll ever use in your life. It's being called by the M.D.'s a "cure". It's a medical breakthrough. It's inexpensive and simple. Pick up the phone and call. \$29.95 ahh plus the free trial subscription to Natural Cures.com and the newsletter. Get it. It's unconditionally guaranteed. You will and can lose all the weight you want and keep it off forever.

DB: Folks if you need to lose weight, you need to pick up the phone and call the number on the screen. As always at ITV, we have trained representatives standing by that can answer all of your question. So make sure you pick up the phone and give us a call. Kevin, I want to thank you for being on the show.

KT: It's my pleasure being here. Amber, great to meet you.

AW: Thank you.

DB: Okay. My name is Donald Barrett.

AW: Amber Wright.

DB: And we'll see you next time on ITV. Thanks for being with us.

AW: Thank you.

DB: Great.

AW: It was hard to get a word right, ahh a word in. (laugh)

KT: I know.

All laughing.

DB: It's tough for me to get a word in.

AW: Everytime I go to talk, he'd be like..... Got a question.

DB: Yeah. Well, let me hold them up a couple of time too.

KT: Okay. Which camera, is it this one?

AW: Was it okay?

DB: Yeah, it's great. It's easy. He's a professional. Sometimes we shows and we really have to pull the information out of people, but here you just gotta just lead them just a little bit.

AW: Great.

DB: As you...as you saw.

AW: Yeah.

(Voices in background.)

AW: You're a pro with the book.

Transcribed by
Patricia Melendy
October 23, 2006

Government Exhibit

23

From: KevinTrudeau@[REDACTED]
Sent: Thursday, October 26, 2006 11:23 AM
To: Donald Barrett <dBarrett@[REDACTED]>
Subject: Re: (no subject)

GREAT!! Missed seeing you but working nonstop writing the WL book anyway...ALL GREAT!!

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

Government Exhibit

24

From: Neil Sant <neilsant@[REDACTED]>
Sent: Friday, November 17, 2006 7:36 PM
To: KevinTrudeau@[REDACTED] dBarrett@[REDACTED]
Subject: RE: (no subject)

They start running tomorrow morning.

From: KevinTrudeau@aol.com [mailto:KevinTrudeau@[REDACTED]]
Sent: Friday, November 17, 2006 6:23 PM
To: dBarrett@[REDACTED]
Cc: Neilsant@[REDACTED]
Subject: (no subject)

any results yet from the WL show tests?

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

Government Exhibit

25

From: KevinTrudeau@[REDACTED]
Sent: Thursday, November 16, 2006 12:28 PM
To: dBarrett@[REDACTED]
Subject: Re: (no subject)

cool...then you can expect me in Boston the week after thanksgiving...if not before!!!...lets hope the WL show tests well this weekend!!

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

Government Exhibit

26

From: KevinTrudeau@[REDACTED]
Sent: Saturday, November 18, 2006 8:30 PM
To: dBarrett@[REDACTED]
Subject: (no subject)

any results from WL test? anything over 30 CPT is a profitable show...based on LOW lost of product and 100% at 5.95 and assuming normal other upsell rates..I will go over the P/L with you so you can see it in black and white!!!

KevinTrudeau, Founder
TruCom
TruStar Global Media Group

Government Exhibit

27

From: kevintrudeau@[REDACTED]
Sent: Tuesday, July 11, 2006 7:46 AM
To: Donald Barrett <dBarrett@[REDACTED]>
Subject:

I have 2 radio interviews this morning..and I have to finish up the newsletter. PLEASE have \$\$\$\$\$\$\$\$\$\$ sent this morning. Thanks soo much for your understanding. If not...I have to leave today to chicago and vegas to figure other things out. I can be very flexible on ITV paying for books...pricing of books....terms of payment on books...and even the money starting in sept...but I have an URGENT need for the 1 million promised this week. Again...I feel bad about having to ask you again and again for payment. Thanks for your patience and understanding. Email me or call me with the update please this morning. I should be done with my interviews and newsletter by 1130.

Love ya!
kt

Check out AOL.com today. Breaking news, video search, pictures, email and IM. All on demand. Always Free.

Government Exhibit

28

From: kevintrudeau@[REDACTED]
Sent: Thursday, September 21, 2006 11:32 AM
To: Donald Barrett <dBarrett@[REDACTED]>
Cc: Neilsant@[REDACTED]
Subject: Fwd: to commanding officer, help needed

-----Original Message-----

From: kevintrudeau@[REDACTED]
To: dBarrett@[REDACTED]
Sent: Thu, 21 Sep 2006 5:26 PM
Subject: Re: to commanding officer, help needed

I am so sorry to hear about your parents. I hope things turn out for the best. PLEASE keep on wayne....even with 400k friday..I am 1.5 million short of what I had planned for by this date. which is making things VERY difficult. PLEASE do the best you can...as soon as you can!! I am not sure I can hold IPT together much longer without the promised funds...also

Are we still planning of shooting smoking and weight loss when I get back? What is status with Trump??

thanks again...lets talk when you can about ventures and other things as you want! To the TOP we go!!

KT

-----Original Message-----

From: dBarrett@[REDACTED]
To: kevintrudeau@[REDACTED]
Sent: Wed, 20 Sep 2006 1:47 AM
Subject: RE: to commanding officer, help needed

KT,

Sorry for being out of touch. My Parents are both very sick. We just found out my dad cancer spread to his bones and my Mom

had heart surgery today. So I've been kind of in a fog. Wayne claims he sent you 300 already and says he can have another 300 to 400 by the end of the week (Friday).

I promise you I will do the best I can to get you paid as soon as possible. The books are coming in this week and we start ramping up our show again this weekend.

ITV Ventures is flying. When you get back to town I could sure use your help and advice. Over 900 IBO's just during our whisper campaign. I believe we can hit 10,000 Ibo's by February 2 when we officially launch.

I miss having you at ITV and look forward to your return.

Donald

From: kevintrudeau@[REDACTED] [mailto:kevintrudeau@[REDACTED]]
Sent: Tuesday, September 19, 2006 5:20 PM
To: Donald Barrett

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

Subject: to commanding officer, help needed

I am holding the line, but need reinforcements desperately. PLEASE give me some indication on the promised money as to when and how much will be coming. HO deal is ready to close end of this week or early next..but is dependant on the promised sponsoship money from NC of 4 mil. ANY news good or bad is ok..I just need to know where I stand. YOUR cut of the ho deal will be worth MILLIONS in just a few months..cash in YOUR pocket. AND you have 2 parterns for the plane, Jason and I so we can get ANYTHING we want!! Look at a Gulfstream III!!
Thanks!!

Check out the new AOL. Most comprehensive set of free safety and security tools, free access to millions of high-quality videos from across the web, free AOL Mail and more.

Check out the new AOL. Most comprehensive set of free safety and security tools, free access to millions of high-quality videos from across the web, free AOL Mail and more.

Government Exhibit

29

From: KevinTrudeau@[REDACTED]
Sent: Monday, October 16, 2006 11:34 AM
To: Donald Barrett <dBarrett@[REDACTED]>
Subject: to do list

As promised..From my notes...

- test 2 weight loss shows ASAP or sooner!!!
- all canceled annual NL to 5.95..close to 1 million people
- ALL new book orders and ALL other products get letter with order for 5.95..getting almost 100% at 5.95...this should be AAA priority for cash flow
- get media for more natural cures show up to 1 mil or more NOW..make sure Wayne is getting books ordered
- every order and NL should have several sales flyers selling your products
- every order and NL should have the Neo tech brochure
- rent to Wallace ward your mailing list for Neotech..he pays very good money
- get Debit card added to inbound script for all products
- get an out bound campaign for debit card..use an outside agency

These can all be achieved within 1-2 weeks with focus and will bring in HUGE \$\$\$\$\$\$\$\$\$\$ NOW and set up HUGE \$\$\$\$\$\$\$\$\$\$ on a going forward monthly basis.

You are the BOSS....

Your friend and "partner"
Kevin

From: kevintrudeau@[REDACTED]
Sent: Tuesday, January 30, 2007 1:21 PM
To: dBarrett@itvdirect.com
Subject:

Thanks so much for getting me some money each week...that is VERY needed! I love working here with you....and feel good about getting paid....it gives me more energy!! :) Things are coming together VERY well!!! 3 more months and ITV all all your companies will be running like a swiss watch!!!! Then I am taking YOU to Europe for some FUN!! ;)

Kevin Trudeau

Check out the new AOL. Most comprehensive set of free safety and security tools, free access to millions of high-quality videos from across the web, free AOL Mail and more.

Government Exhibit

30

From: KevinTrudeau@[REDACTED]
Sent: Wednesday, June 13, 2007 12:54 AM
To: dBarrett@[REDACTED]
Subject: (no subject)

Hope all is well. Call me when you can to catch up. I really do need to get some money. I really need to get money now and on a consistent weekly basis. PLEASE.
thanks!
kt

See what's free at AOL.com.

Government Exhibit

31

From: kevintrudeau@[REDACTED]
Sent: Sunday, June 17, 2007 8:44 PM
To: sBarrett@[REDACTED] dBarrett@[REDACTED]
Subject: Re: \$\$

lets talk asap...need some money in a big way.

-----Original Message-----

From: Susan Barrett
To: kevintrudeau@[REDACTED]
Sent: Sun, 17 Jun 2007 9:27 am
Subject: \$\$

Kt,

Great numbers again today even with the beautiful weather around the country.
Mat will provide you with the specifics throughout the day.

I am down the Island and as usual I dropped my phone in the water, waiting for
Chris to bring me a replacement phone.

I spoke with Lou last week and I agree we should wrap the whole thing into one
deal, especially since right now your deal is with ITV Global.

We can talk \$\$ specifics over the phone, I am really excited everything we are
doing together. I'll call you later today.

Donald

AOL now offers free email to everyone. Find out more about what's free from AOL at AOL.com.

Government Exhibit

32

C H A P T E R 7

Why People Are Fat

If you want to get rich, write a book on how to lose weight. Americans, more than any other people in the world, are obsessed with losing weight. Americans are the fattest people in the world. Statistics vary, but it has been said that over 75 percent of people in America are overweight. This statistic has been rising decade after decade after decade. The interesting thing to note about the fact that we are so overweight in America is that we are doing more to lose weight, yet we continue to get fatter. There are more diet books on how to lose weight than ever before. More people are on diets than ever before. More people eat diet food such as diet sodas, diet prepackaged food, etc. than ever before. More people are concerned about and are eating low fat food than ever before. More people are concerned about and eating low carbohydrate food than ever before. More people are concerned about and are eating low calorie food than ever before. More diet pills and diet aides are used than ever before. More people exercise than ever before. But the fact is, with all this effort being put into losing weight, we are fatter than ever before. How can this be? Keep in mind that this is really an American problem. Although obesity is rising slightly in other countries around the world, America leads the way in people that are overweight and obese.

There is so much data I have on why you are overweight and what you can do to lose weight and keep it off that I could write an entire book about it, and probably will in the future. However, in this chapter I simply want to give you the basic fundamentals so you can understand why you are overweight and how you've been lied to. In the next chapter I will tell you exactly what you have to do to lose weight once and for all and keep it off forever.

Government Exhibit

33

Outbound Sales

10/15/07-10/21/07

<u>Campaign</u>	<u>Revenue</u>	<u>Profit</u>
Weight Loss	\$29.90	\$26.28
Flex Protex	\$80.59	\$24.75
Natural Cures	\$199.00	\$158.70
Rice N Shine	\$0.00	\$0.00
Express Shipping	\$19.90	\$12.40
Natural Cures CD	\$0.00	\$0.00
<u>TOTALS</u>	<u>\$329.39</u>	<u>\$222.13</u>

CONFIDENTIAL

ITV-G002932

ITV_001-001623

Government Exhibit

34

Product Name: Weight Loss Cures (U.S.)
Product ID: DIET

INFORMATION BOX

PRICING VARIES - PRESS <PF9>
FOR FULL PRICING INFO
SALES TAX: IL= 8.75%

TRANSITIONS:

"I would be happy to find that
information for you. One
moment please while I access
my information screen."

PRESS PF9 FOR PRICING AND
PRODUCT INFORMATION.

ORDER SCRIPT

WEIGHT LOSS CURES

ORDER-COUNT & ORDER-CALLTIME

BILL-TOT-SALES (incl. sales, shipping, sales tax, but NOT newsletter)
INFO-CALLTIME

TOTAL-CALLS & TOTAL-CALLTIME

TOTAL-NONORDER2 (Total non-order calls)

TOTAL-REC-TIME

RECORD-COMPLETE (If Archive flag = Y)

DAY-CALLS, NIGHT-CALLS

LESS-THAN-20SEC (If calltime < :20 seconds)

PGD-ADDBOOKS

PGD-SMOKING

PGD-NCBOOKS

IS: this will need to be programmed on the screen. We will do a manual
override of the menu page

Dedicated Greeting

"Thank you for calling for your "Weight Loss Cures" book and free
newsletter. My name is _____. May I have your zip code, please?"

Zip/Postal Code: _____ (PRESS <PF10/PF8>)

IS: If 9s Entered, Process As U.S. Order

Start recording

"To ensure proper handling, this call may be recorded."

(No Restrictions For This Statement - Trips All Calls)

If PR:

"May I continue?" _ (Y,N) (PRESS <PF10>)

RECORD-YES2, RECORD-NO2

If No:

"I'm sorry, I will not be able to process your request."

"Thank you for calling."

(PRESS <PF3> TO LOG AS AN INQUIRY)

"As you heard on the television program, Kevin is offering his "Weight Loss
Cures They Don't Want You To Know About" book for only \$29.95 plus \$9.95
shipping and handling. Plus, you'll receive a free trial of Kevin's
newsletter. Now there's absolutely no risk and you'll have 30 days to review

Product Name: Weight Loss Cures (U.S.)

Product ID: DIET

it to be sure you like it. You'll be charged just \$5.95 for each month you continue, or call us in the first 30 days at 1-800-240-3417 to cancel your subscription and you won't be charged."

IF CALLER DOES NOT WANT NEWSLETTER ENTER 'X': _ (PRESS <PF10/PF8>)
NEWSLETTER-NO

IF 'X':

"That is fine. We won't include the newsletter with your order today."

IS: PASS ORDER WITHOUT NEWSLETTER

"May I have your name please?"

First Name: _____ Last Name: _____

"Which credit card would you prefer to use today?" _

(M,V,A,W=Check Withdrawal)

DO NOT OFFER CHECK/MONEY ORDER UNLESS CALLER REQUESTS (PRESS <PF10/PF8>)

AMEX-CARD2

MASTERCARD2

VISA2

IF CC: CC-COUNT

Card Number: _____ Exp Date: _____

(PRESS <PF7> TO VERIFY CREDIT CARD NUMBER)

If Credit Card Expiration is filled with 9999:

"I'm sorry without a credit card expiration date I cannot process your order. Would you like to provide the expiration date?" _

(Y,N) (PRESS <PF10>)

If Yes: CC-EXP-YES2

RETURN TO CREDIT CARD EXPIRATION DATE

If No: CC-EXP-NO2

"Do you have a credit card with a valid expiration date?" _

(Y,N) (PRESS <PF10>)

If Yes: CC-VLD-DATE-Y2

RETURN TO CREDIT CARD EXPIRATION CAPTURE

If No: CC-VALID-DATE-N2

"Please call back when you have that information.

Thank you for calling." (LOG CALL AS INQUIRY)

IF M/V:

"And is this a credit card or debit card?" _ (1=Credit Card,
2=Debit Card, 3=Unknown)

UNKNOWN

If 1 Or 3: CONTINUE

If 2: (THIS MUST BE RECORDED WITH THE ORDER CALL)

"Now, since I can't get your signature over the phone, I'll confirm your order today using electronic signature. You can call 1-800-240-3417 at anytime to cancel or request a copy of this electronic authorization, either by printed transcript or tape. Now, please enter the last four digits of your credit card number using the touch tone key pad on your phone."

TR INSTRUCTION: YOU SHOULD HEAR 4 ELECTRONIC TONES AS THE
CALLER PRESSES THE KEYS ON THEIR PHONE.

IF NO TONES ENTERED, ENTER X: _ (PRESS <PF10>)

X-ENT-NOTONES

Product Name: Weight Loss Cures (U.S.)
Product ID: DIET

IS: If The 'X' Is Entered, You Do Not Have Electronic Signature
And Should Not Fulfill The Continuity Offer. All Other Products
Would Be Ok.

Government Exhibit

35

ROBB EVANS & ASSOCIATES LLC
Receiver of
The Assets of Kevin Trudeau, the Trudeau Entities, et al.

SUPPLEMENTAL REPORT OF RECEIVER'S ACTIVITIES
September 16, 2013

On September 6, 2013 the Receiver¹ filed its first report of activities. Subsequent to preparing that report, the Receiver has obtained certain information that the Receiver believes should be reported to this Court.

Pursuant to the Court's Order appointing the Receiver, Kevin Trudeau (Trudeau) had an affirmative duty to, among other things, deliver to the Receiver possession and custody of "[a]ll funds, Assets and property of Trudeau, whether situated within or outside the territory of the United States" and "all bank records (including monthly statements canceled checks, records of wire transfers, records of ACH transactions, and check registers)." (*See* 8/7/2013 Order at § VI(1) & (3). Further, Trudeau was obligated to provide all computer and other passwords required to open or gain access to all monies in any bank deposited to the credit of Trudeau. (*Id.* § VI(5).) Indeed, the Court expressly created the receivership "to offer Trudeau a final opportunity to avoid coercive incarceration as a contempt sanction" and ordered Trudeau to cooperate fully with the Receiver.

In a September 6, 2013 email to the Receiver, Kevin Trudeau stated in part: "I am being very straight forward and am not hiding anything." Again in a September 7, 2013 email to the Receiver, Mr. Trudeau states: "I have nothing to hide. There are no hidden assets anywhere in the world." These emails are attached to this supplemental report at Exhibit 1.

The Receiver has independently learned that Trudeau maintains a bank account at St. George Bank Ltd. in Sydney, Australia. On July 29, 2013, \$17,676.00 was wired, presumably by Trudeau, from such account to Trudeau's bank account at Banco Popular in Illinois. Attached as Exhibit 2 to this supplemental report is a wire transfer confirmation evidencing the transfer. In response to the Receiver's inquiries regarding such account, Trudeau responded in a September 9, 2013 email exchange: "I have no bank statements. And I do not have log in info. This account has been provided to FTC² in the past." A copy of the Receiver's email exchange with Mr. Trudeau is attached to this supplemental report as Exhibit 3.

¹ Reference to the Receiver in this report means the Receiver's deputies, its staff, and its counsel.

² The Receiver asked the FTC for details about this account. The FTC responded that this account was referenced in Trudeau's January 24, 2013 sworn financial statement but counsel for the FTC had no information beyond that reference.

Notwithstanding Trudeau's statements that he lacked access to the St. George Bank account, on September 11, 2013 at approximately 4:15 pm PDT, Trudeau called the Receiver and provided the Receiver with his username and password for such account. The Receiver downloaded the bank statements from the inception of the accounts (checking and savings) beginning in February 2012 through August 31, 2013. Belying any suggestion that Trudeau lacked the ability to log into the account, the account statements reflect that all transactions were Internet-based, except for wire transfers into the account or wire out of the account or debit card transactions.

Trudeau's January 24, 2013 sworn financial statement submitted to the Court listed this account with a small balance. The combined balances of the checking and savings account at that time were approximately \$140,000. His financial statement also did not list any account number or the address of the bank, both of which are listed on the online statements. The January 2013 bank statement is attached to this supplemental report at Exhibit 4.

Further, the Court's August 7, 2013 Order enjoined Trudeau from transferring, spending, withdrawing or otherwise disposing of any Assets, wherever located, including outside the United States. (*See* 8/7/2013 Order § II(1).) However, the August 2013 account statement for the St. George Bank account, reflects a number of debit card transactions that post-date this Court's Order. Attached as Exhibit 5 to this supplemental report is a copy of the August 2013 bank statement.

In its first report, the Receiver informed the Court that Mr. Lee Kenny was to produce accounting records and bank documents for GIN Foundation's account in the United Kingdom. To date, Mr. Kenny has provided bank statements for some accounts.

Exhibit 6 to this report is a compilation of GIN Foundation's account activity from January 1, 2013 through September 6, 2013. Total credit card merchant processing revenue of approximately \$14.2 million confirms the information presented at page 7 of the Receiver's first report. The revenue difference of approximately \$100,000 between the detail in this report and the first report is likely attributable to actual foreign currency exchange rates, bank transactional fees, and intermediary bank wire charges.

The Receiver's first report also stated that Website Solutions' management in the United States told the Receiver that commissions for Trudeau and his wife, Nataliya Babenko, were accrued, but unpaid. Although the Receiver does not believe company management in the United States were aware of transfers made from GIN Foundation's account in the United Kingdom, GIN Foundation's records produced thus far by Mr. Kenny show that Ms. Babenko in fact was paid approximately \$149,000 from March 6, 2013 through August 20, 2013. The GIN Foundation records also indicate that payments made through July 18, 2013 were paid to two bank accounts in the United States. The final payment of \$16,305.79 was paid on August 20, 2013 and the funds were transferred to an account Ms. Babenko holds at Global Bank of Commerce in Antigua (Exhibit 7).

At this time, it appears that Ms. Babenko is the only individual with a GIN Foundation down line who received payments out of the ordinary course of business.

Respectfully submitted,

/s/

Robb Evans & Associates LLC
Receiver

Exhibit 1

brick kane

From: Kevin Trudeau <kevinmt@hushmail.com>
Sent: Friday, September 06, 2013 9:04 PM
To: kenton.johnson@robbevans.com; brick_kane@robbevans.com
Cc: Thomas L. Kirsch

Kenton, I read your report. I can be very helpful in clarifying things and answering questions. I am being very straightforward and am not hiding anything.

By the way GIN does in fact sell a product. The product is a membership in a club. Memberships like a NRA or AAA memberships are products.

Kevin Trudeau

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.2242 / Virus Database: 3222/6143 - Release Date: 09/06/13

Kenton Johnson

From: Kevin Trudeau [kevinmt@hushmail.com]
Sent: Saturday, September 07, 2013 7:17 AM
To: kenton.johnson@robbevans.com; brick_kane@robbevans.com
Cc: Thomas L. Kirsch

Follow Up Flag: Follow up
Flag Status: Flagged

Re the 375K from ktrn. A few things to consider based on my best recollection.

Natasha was the then legal owner of KTRN. I was working full time doing radio shows daily for KTRN without compensation. Natasha as the owner I believe never took any money out of that company before that time...

Re GIN expenses. Your reports do not take into account all the expenses paid out of GIN from any non us account. When you look at those expenses paid you will be GIN never made a profit.

Also..when a person joins GIN, they are owed a cruise and other benefits, so there is a liability outstanding for every member who joins.

Also..the 200 consultants are owed an annual commision. 2% of total rev is split between them..

Re natasha's sal from website solutions. Natasha and I always believed she was the legal owner of website, although an absentee owner, thus she took what was believed to be legitimate comp, not for a "job", but as owner and a director.

Again, I am here to help explain and clarify things.

I have nothing to hide. There are no hidden assets anywhere in the world.

Kevin Trudeau

Exhibit 2

(c) Fundtech Systems

Incoming FED Message

Printed: 9/6/2013 12:49:04PM

Requested By: 31552

VERSION: 0

MESSAGE INFORMATION

Amount:	\$17,676.00	Message ID:	130729083152F10a	PDM:	O
Currency:	USD	Latest Version:	0	Priority:	M
Value Date:	7/29/2013 12:00:00AM	Time:	08:42:17	URC:	
Bank ID:	004	Department:	WIR	Status:	COMPLETE
Message Type:	10	Branch:	111	Template:	
Message Subtype:	00	Charge:	SHA		
Fee:	0.00	Source:	FLS	Country Code:	AU
Ref. No.:	[REDACTED]	External Ref.:			

MESSAGE TEXT

Sender ABA:	021000021	Sender Name:	JPMORGAN CHASE	Ref. No.:	[REDACTED]
Receiver ABA:	071924458	Receiver Name:	BANCO POPULAR, IL	Prod. Code:	CTR
Ref. IMAD:				Local Instrument Code:	
IMAD:	20130729B1QGC08C002375	Prop. Code:			
OMAD:	20130729G1B7011C00002107290830FT03			Ref. for Bnf.:	SWF OF 13/07/29
As of Reason:	As of Date:	Disposition:			
Acc Off: 004	Account: 6808	Acc. Type:	DDA	Initiator ID:	
Cr Acc Off:	Cr Acc No:	Cr Acc Type:			
Db Advice:	Db Fee:	Cr Advice:		Cr Fee:	0.00
Drawdown Credit Account:					
Originator:	Originator Option F:	N	Beneficiary:		
[REDACTED]			[REDACTED]		
KEVIN M TRUDEAU			KEVIN TRUDEAU		
SUITE 218			3 GRANT SQ		
377 KENT STREET			HINSDALE, UNITED STATES		
SYDNEY 2000					
Originator Bank:			Beneficiary Bank:		
SGBLAU2S					
ST GEORGE BANK LTD					
TREASURY RECONCILIATIONS DEPARTMENT					
LEVEL 27 60 MARTIN PLACE					
SYDNEY AUSTRALIA 2000					

Exhibit 3

brick kane

From: brick kane <brick_kane@robbevans.com>
Sent: Wednesday, September 11, 2013 9:19 AM
To: 'Kevin Trudeau'
Cc: Kent Johnson; Blair R. Zanzig (bzanzig@hwzlaw.com); Thomas L. Kirsch (tkirsch@winston.com)
Subject: RE: St George Bank Ltd.

Kevin,

When can we expect the bank statements and correspondence?

Brick

From: Kevin Trudeau [<mailto:kevinmt@hushmail.com>]
Sent: Monday, September 09, 2013 3:59 PM
To: brick kane
Subject: RE: St George Bank Ltd.

let me call them..will get you anything you need

Kevin Trudeau

On 9/9/2013 at 5:55 PM, "brick kane" <brick_kane@robbevans.com> wrote:

Kevin,

Please carefully re-read my email. If you do not have the bank statements in your possession, you will need to contact the bank and obtain the statements. Also, you must have correspondence or online access or how could you have initiated the July 29, 2013 wire transfer?

Brick

From: Kevin Trudeau [<mailto:kevinmt@hushmail.com>]
Sent: Monday, September 09, 2013 3:05 PM
To: brick kane
Cc: Thomas L. Kirsch
Subject: Re: St George Bank Ltd.

I have no bank statements. And I do not have log in info. This account has been provided to FTC in the past.

Kevin Trudeau

On 9/9/2013 at 4:15 PM, "brick kane" <brick_kane@robbevans.com> wrote:

Kevin,

Please see the attached wire transfer from your St. George Bank Ltd. account in Sydney, Australia to your Banco Popular account in Illinois.

Please immediately provide us with all bank statements for your St. George Bank account from its inception through the most recent statement. Also, please provide us with email or other correspondence with the St. George Bank. If you have online access to your account, please provide us with the pertinent login information ie: user name and password. Once we review this information, we may ask you for follow-up information. Thank you.

Brick

Brick Kane

President & Chief Operating Officer

Robb Evans & Associates LLC

(818) 683-1061

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.2242 / Virus Database: 3222/6150 - Release Date: 09/09/13

No virus found in this message.

Checked by AVG - www.avg.com

Version: 2012.0.2242 / Virus Database: 3222/6150 - Release Date: 09/09/13

Exhibit 4



Statement of Account

St.George Sense

St. George Bank
A Division of
Westpac Banking Corporation
ABN 33 007 457 141
AFSL 233714

Contact Us 13 33 30 (8am - 9pm)
7 days a week
BSB No. 112-879
Account No. [REDACTED]
Statement 12 (Page 1 of 6)
Statement Period 01/01/13 to 31/01/13

KEVIN MARK TRUDEAU

Account Summary

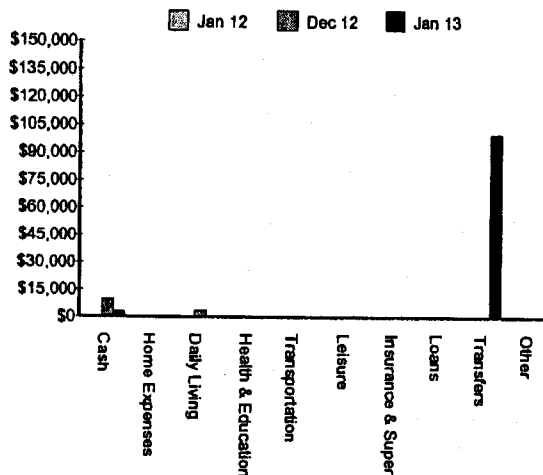
Sense Everyday

Opening Balance	\$20,676.00
+ All Deposits	\$100,000.00
- All Withdrawals	\$103,388.96
= Closing Balance	\$17,287.04

Sense Savings

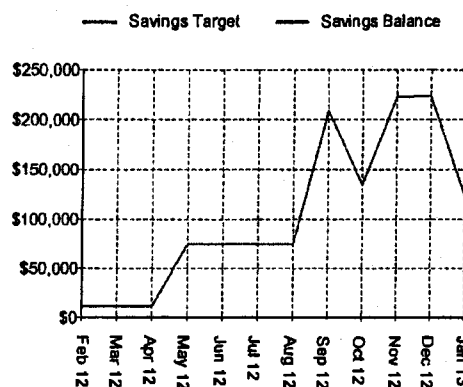
Opening Balance	\$223,736.99
+ All Deposits	\$364.09
- All Withdrawals	\$100,167.00
= Closing Balance	\$123,934.08

Sense Everyday Spending



This chart is a helpful guide for your Sense Everyday spending.*

Sense Savings Progress



Savings Target \$0.00

Please note your savings target has not been established. You can setup your savings target by selecting Account Maintenance in Internet Banking.

Hints & Tips: Did You Know?*

By making regular deposits into your Sense Everyday Account, you can streamline your finances by making your regular payments conveniently from one account.

*Note that the breakdown of transactions is only a guide. It is not intended to be a substitute for your own budget or financial plan.

**This information does not take account of your financial circumstances. Please read the terms and conditions before making a decision.



BSB No. 112-879

Account No. [REDACTED]

Sense Everyday

Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
01 Jan	Opening Balance		20,676.00	
02 Jan	INTERNET DEPOSIT 02JAN 07:06 FROM [REDACTED]	100,000.00	120,676.00	
02 Jan	INTERNET OVERSEAS TT 02JAN 08:34	-50,000.00	70,676.00	Transfers
02 Jan	INTERNET TT REQ FEE 02JAN 08:34	-20.00	70,656.00	Transfers
03 Jan	INTERNET OVERSEAS TT 03JAN 05:41	-50,000.00	20,656.00	Transfers
03 Jan	INTERNET TT REQ FEE 03JAN 05:41	-20.00	20,636.00	Transfers
03 Jan	VISA CASH ADVANCE 30/12/12 MIGROSBANK CHF 900.00	-953.11	19,682.89	Cash
03 Jan	FOREIGN CURRENCY CONVERSN FEE	-28.59	19,654.30	Other
04 Jan	ROUNDING FOR \$953.11 EFFECTIVE DATE 02JAN	-0.89	19,653.41	Transfers
05 Jan	VISA CASH ADVANCE 02/01/13 MIGROSBANK CHF 900.00	-938.48	18,714.93	Cash
05 Jan	FOREIGN CURRENCY CONVERSN FEE	-28.15	18,686.78	Other
07 Jan	VISA CASH ADVANCE 04/01/13 MIGROSBANK CHF 900.00	-938.22	17,748.56	Cash
07 Jan	FOREIGN CURRENCY CONVERSN FEE	-28.14	17,720.42	Other
07 Jan	ROUNDING FOR \$938.48 EFFECTIVE DATE 04JAN	-0.52	17,719.90	Transfers
08 Jan	ROUNDING FOR \$938.22 EFFECTIVE DATE 05JAN	-0.78	17,719.12	Transfers
17 Jan	VISA CASH ADVANCE 14/01/13 INTERNACIOANL Centro GTQ 2027.22	-244.34	17,474.78	Cash
17 Jan	FOREIGN CURRENCY CONVERSN FEE	-7.33	17,467.45	Other
18 Jan	ROUNDING FOR \$244.34 EFFECTIVE DATE 16JAN	-0.66	17,466.79	Transfers
19 Jan	VISA PURCHASE O/SEAS 17/01/13 CALUMET PHOTOGRAPHIC EUR 121.85	-155.10	17,311.69	Leisure
19 Jan	FOREIGN CURRENCY CONVERSN FEE	-4.65	17,307.04	Other
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		17,307.04	

Save time and make payments via Direct Debit

You can have many of your payments debited directly from your SENSE Everyday Account, such as your telephone bill, electricity bill and insurance payments. To arrange a direct debit contact the relevant organisation and provide them with your BSB and account number or call us on 13 33 30.

Conditions and fees may apply. This information doesn't consider your personal circumstances. Read the terms and conditions before making a decision. St. George Bank - A Division of Westpac Banking Corporation
ABN 33 007 457 141 AFSL 233714, 9624/12098 08/10

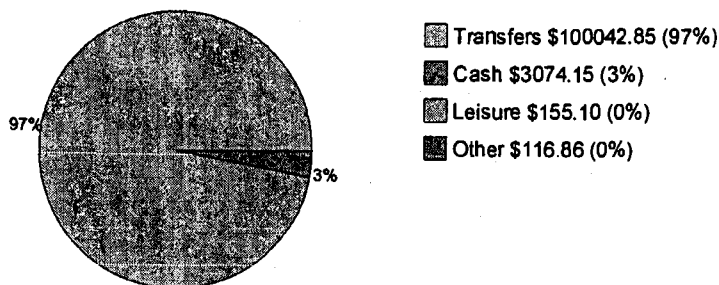




Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		17,307.04	
31 Jan	O/SEAS CASH WITHDRAWAL FEE	-20.00	17,287.04	Other
31 Jan	Closing Balance		17,287.04	

Rounding Contributions processed near the end of the month may appear on your next statement.

Sense Everyday Spend by Category



This chart is a high level breakdown of the transactions that you have made using your Sense Everyday Account, during the statement period*.



BSB No. 112-879

Account No. [REDACTED]

Sense Savings

Date	Description	+ Deposits	- Withdrawals	= Balance \$
01 Jan	Opening Balance			223,736.99
02 Jan	INTERNET WITHDRAWAL 02JAN 07:06 TO [REDACTED]		-100,000.00	123,736.99
04 Jan	ROUNDING FOR \$953.11 EFFECTIVE DATE 02JAN	0.89		123,737.88
07 Jan	ROUNDING FOR \$938.48 EFFECTIVE DATE 04JAN	0.52		123,738.40
08 Jan	ROUNDING FOR \$938.22 EFFECTIVE DATE 05JAN	0.78		123,739.18
18 Jan	ROUNDING FOR \$244.34 EFFECTIVE DATE 16JAN	0.66		123,739.84
31 Jan	CREDIT INTEREST	361.24		124,101.08
31 Jan	TFN WITHHOLDING TAX		-167.00	123,934.08
31 Jan	Closing Balance			123,934.08

Note: You may only deposit or withdraw amounts to and from your Sense Savings Account by transferring amounts to and from your Sense Everyday Account. This means you may not use your Sense Savings Account for transactions such as direct debit.

Interest Details**Sense Everyday**

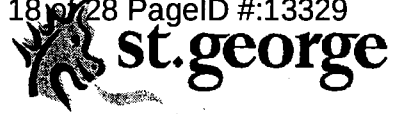
	Interest Earned	Interest Charged
Year to Date	\$0.00	\$0.00
Previous Year to Date	\$0.00	\$0.11

Sense Savings

	Interest Earned	Interest Charged
Year to Date	\$3,359.05	\$0.00
Previous Year to Date	\$425.44	\$0.00

Interest Earned Includes interest earned on your Sense Savings account and Matching Contributions Paid.

Exhibit 5



Statement of Account St. George Sense

St. George Bank
A Division of
Westpac Banking Corporation
ABN 33 007 457 141
AFSL 233714

Contact Us 13 33 30 (8am - 9pm)
7 days a week
BSB No. 112-879
Account No. [REDACTED]
Statement 19 (Page 1 of 7)
Statement Period 01/08/13 to 31/08/13

KEVIN MARK TRUDEAU

Account Summary

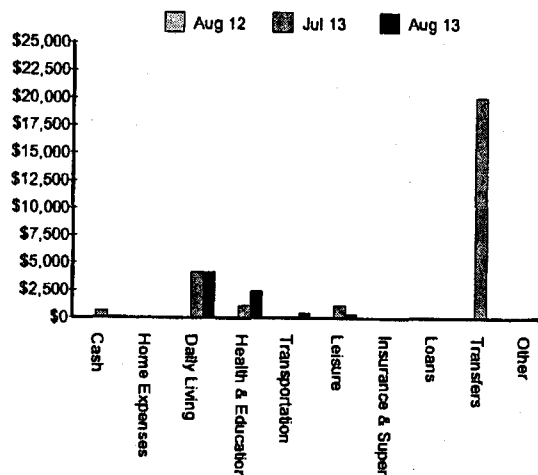
Sense Everyday

Opening Balance	\$19,579.97
+ All Deposits	\$447.98
- All Withdrawals	\$7,697.75
= Closing Balance	\$12,330.20

Sense Savings

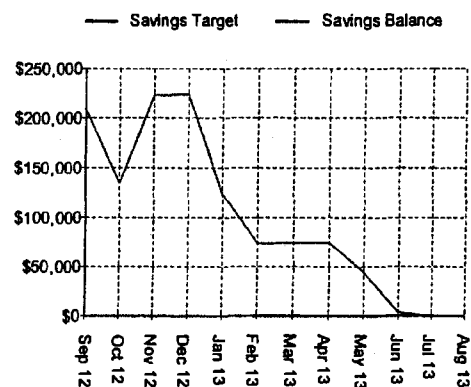
Opening Balance	\$406.41
+ All Deposits	\$1.03
- All Withdrawals	\$0.00
= Closing Balance	\$407.44

Sense Everyday Spending



This chart is a helpful guide for your Sense Everyday spending.*

Sense Savings Progress



Savings Target \$0.00

Please note your savings target has not been established. You can setup your savings target by selecting Account Maintenance in Internet Banking.

Hints & Tips: Did You Know?*

Did you know if you deposit just \$2,000 into your Sense Everyday Account each month, you'll save on the monthly account service fee?

*Note that the breakdown of transactions is only a guide. It is not intended to be a substitute for your own budget or financial plan.

**This information does not take account of your financial circumstances. Please read the terms and conditions before making a decision.



BSB No. 112-879

Account No. [REDACTED]

Sense Everyday

Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
01 Aug	Opening Balance		19,579.97	
03 Aug	VISA PURCHASE O/SEAS 31/07/13 GOVERNMENT CENTER SE USD 35.00	-39.28	19,540.69	Transportation
03 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.17	19,539.52	Other
03 Aug	VISA PURCHASE O/SEAS 31/07/13 VIDAL SASSOON USD 167.00	-187.43	19,352.09	Daily Living
03 Aug	FOREIGN CURRENCY CONVERSN FEE	-5.62	19,346.47	Other
05 Aug	VISA PURCHASE O/SEAS 01/08/13 55 EAST MONROE USD 36.00	-40.55	19,305.92	Transportation
05 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.21	19,304.71	Other
05 Aug	VISA PURCHASE O/SEAS 02/08/13 WHOLEFDS HIN 10364 USD 423.27	-476.82	18,827.89	Daily Living
05 Aug	FOREIGN CURRENCY CONVERSN FEE	-14.30	18,813.59	Other
05 Aug	VISA PURCHASE O/SEAS 01/08/13 STEPHEN GORDON DDS P USD 1652.00	-1,861.01	16,952.58	Health&Educatn
05 Aug	FOREIGN CURRENCY CONVERSN FEE	-55.83	16,896.75	Other
06 Aug	VISA PURCHASE O/SEAS 04/08/13 THE STANDARD MARKE USD 31.51	-35.50	16,861.25	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.06	16,860.19	Other
06 Aug	VISA PURCHASE O/SEAS 04/08/13 THE STANDARD MARKE USD 36.47	-41.08	16,819.11	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.23	16,817.88	Other
06 Aug	VISA PURCHASE O/SEAS 03/08/13 AGENT FEE A 89006007 USD 50.00	-56.33	16,761.55	Leisure
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.68	16,759.87	Other
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		16,759.87	

Save time and BPAY® your bills.

Pay bills the quick, simple and flexible way. With over 16,000 billers accepting BPAY, you can pay most of your bills from your SENSE Everyday Account through St.George Internet & Phone Banking. Just look for the distinctive BPAY logo in the payment section of your bill. You can even schedule payments for a later date. To learn more visit st.george.com.au



This information does not take into account your financial circumstances. Before you make a decision, read the Terms and Conditions, available at any branch or st.george.com.au and consider if the product is right for you. *Registered to BPAY Pty Ltd ABN 69 079 137 518. St. George Bank - A Division of Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714. SIGW0515 12/10



Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		16,759.87	
06 Aug	VISA PURCHASE O/SEAS 03/08/13 THE HUMIDOR OF WESTM USD 65.00	-73.22	16,686.65	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-2.19	16,684.46	Other
06 Aug	VISA PURCHASE O/SEAS 04/08/13 THE HUMIDOR OF WESTM USD 85.17	-95.95	16,588.51	Daily Living
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-2.87	16,585.64	Other
06 Aug	VISA PURCHASE O/SEAS 03/08/13 JETBLUE 27972663 USD 293.90	-331.08	16,254.56	Leisure
06 Aug	FOREIGN CURRENCY CONVERSN FEE	-9.93	16,244.63	Other
07 Aug	VISA PURCHASE O/SEAS 05/08/13 THE HUMIDOR OF WESTM USD 174.53	-197.28	16,047.35	Daily Living
07 Aug	FOREIGN CURRENCY CONVERSN FEE	-5.91	16,041.44	Other
08 Aug	VISA PURCHASE O/SEAS 06/08/13 THE HUMIDOR OF WESTM USD 32.01	-35.95	16,005.49	Daily Living
08 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.07	16,004.42	Other
08 Aug	VISA PURCHASE O/SEAS 06/08/13 THE HUMIDOR OF WESTM USD 36.64	-41.15	15,963.27	Daily Living
08 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.23	15,962.04	Other
09 Aug	VISA PURCHASE O/SEAS 06/08/13 EASTWOOD BIO MEDICAL USD 85.00	-95.28	15,866.76	Daily Living
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-2.85	15,863.91	Other
09 Aug	VISA PURCHASE O/SEAS 07/08/13 ROBERT J LACAVA MD USD 95.00	-106.49	15,757.42	Health&Educatn
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-3.19	15,754.23	Other
09 Aug	VISA PURCHASE O/SEAS 07/08/13 CAREY USD 308.42	-345.73	15,408.50	Transportation
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-10.37	15,398.13	Other
09 Aug	VISA PURCHASE O/SEAS 06/08/13 US WELLNESS MEATS USD 669.88	-750.91	14,647.22	Daily Living
09 Aug	FOREIGN CURRENCY CONVERSN FEE	-22.52	14,624.70	Other
10 Aug	VISA PURCHASE O/SEAS 07/08/13 US WELLNESS MEATS USD 388.00	-432.36	14,192.34	Daily Living
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		14,192.34	



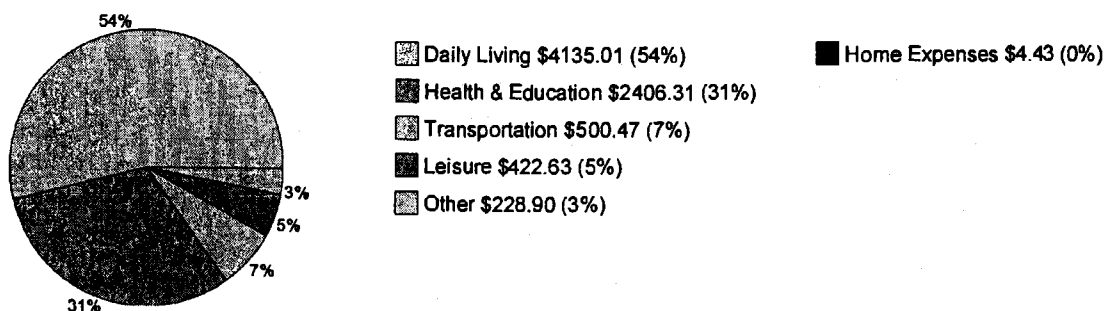
Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		14,192.34	
10 Aug	FOREIGN CURRENCY CONVERSN FEE	-12.97	14,179.37	Other
10 Aug	VISA PURCHASE O/SEAS 07/08/13 US WELLNESS MEATS USD 413.00	-460.22	13,719.15	Daily Living
10 Aug	FOREIGN CURRENCY CONVERSN FEE	-13.80	13,705.35	Other
10 Aug	VISA PURCHASE O/SEAS 07/08/13 WESTMONT LIQUORS USD 894.30	-996.56	12,708.79	Daily Living
10 Aug	FOREIGN CURRENCY CONVERSN FEE	-29.89	12,678.90	Other
12 Aug	VISA CREDIT OVERSEAS 07/08/13 US WELLNESS MEATS USD 413.00	447.98	13,126.88	
12 Aug	VISA PURCHASE O/SEAS 08/08/13 RENAISSANCE HOTELS F USD 32.00	-35.22	13,091.66	Leisure
12 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.05	13,090.61	Other
22 Aug	VISA PURCHASE O/SEAS 20/08/13 SMARTE CARTE USD 4.00	-4.43	13,086.18	Home Expenses
22 Aug	FOREIGN CURRENCY CONVERSN FEE	-0.13	13,086.05	Other
26 Aug	VISA PURCHASE O/SEAS 22/08/13 55 EAST MONROE USD 32.00	-35.66	13,050.39	Transportation
26 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.06	13,049.33	Other
26 Aug	VISA PURCHASE O/SEAS 22/08/13 STEPHEN GORDON DDS P USD 256.00	-285.30	12,764.03	Health&Educatn
26 Aug	FOREIGN CURRENCY CONVERSN FEE	-8.55	12,755.48	Other
30 Aug	VISA PURCHASE O/SEAS 28/08/13 GENOVA DIAGNOSTICS USD 136.53	-153.51	12,601.97	Health&Educatn
30 Aug	FOREIGN CURRENCY CONVERSN FEE	-4.60	12,597.37	Other
31 Aug	VISA PURCHASE O/SEAS 28/08/13 GOVERNMENT CENTER SE USD 35.00	-39.25	12,558.12	Transportation
31 Aug	FOREIGN CURRENCY CONVERSN FEE	-1.17	12,556.95	Other
31 Aug	VISA PURCHASE O/SEAS 28/08/13 VIDAL SASSOON USD 192.00	-215.30	12,341.65	Daily Living
31 Aug	FOREIGN CURRENCY CONVERSN FEE	-6.45	12,335.20	Other
	SUB TOTAL CARRIED FORWARD TO NEXT PAGE		12,335.20	



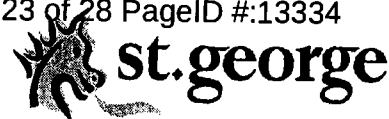
Date	Description	+ Deposits - Withdrawals	= Balance \$	Category
	SUB TOTAL CARRIED FORWARD FROM PREVIOUS PAGE		12,335.20	
31 Aug	ACCOUNT SERVICE FEE	-5.00	12,330.20	Other
31 Aug	Closing Balance		12,330.20	

Rounding Contributions processed near the end of the month may appear on your next statement.

Sense Everyday Spend by Category



This chart is a high level breakdown of the transactions that you have made using your Sense Everyday Account, during the statement period*.



BSB No. 112-879
Account No. [REDACTED]

Sense Savings

Date	Description	+ Deposits	- Withdrawals	= Balance \$
01 Aug	Opening Balance			406.41
31 Aug	CREDIT INTEREST	1.03		407.44
31 Aug	Closing Balance			407.44

Note: You may only deposit or withdraw amounts to and from your Sense Savings Account by transferring amounts to and from your Sense Everyday Account. This means you may not use your Sense Savings Account for transactions such as direct debit.

Interest Details

Sense Everyday

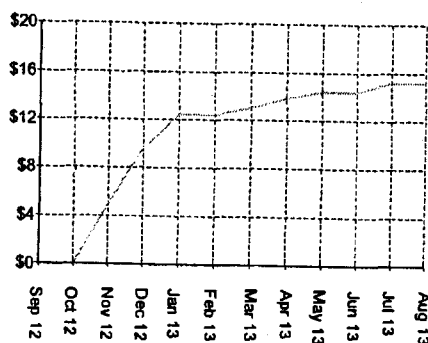
	Interest Earned	Interest Charged
Year to Date	\$0.00	\$0.00
Previous Year to Date	\$0.00	\$0.00

Sense Savings

	Interest Earned	Interest Charged
Year to Date	\$11.25	\$0.00
Previous Year to Date	\$4,218.37	\$0.00

Interest Earned Includes interest earned on your Sense Savings account and Matching Contributions Paid.

Rounding Contributions



This chart shows you the cumulative Rounding Contributions that have been transferred to your Sense Savings Account for the last 12 months*.

Your Rounding Contributions

Total Rounding Contributions transferred to your Sense Savings Account for last 12 months. **\$15.22**

Exhibit 6

GIN Foundation (UK)

Cash Receipts & Disbursements
January 1 through September 6, 2013

	<u>GBP</u>	<u>Ave. Exch Rate</u>	<u>USD</u>	<u>USD</u>	<u>TOTAL</u>
Income					
NBX Merchant Services Inc.	1,989,368.45	1.5418	3,067,208.28	11,137,822.31	14,205,030.59
Related Parties					
GIN USA Inc.	0.00	1.5418	0.00	301,619.32	301,619.32
Future Transactions Company					
Money In	0.00	1.5418	0.00	1,317,923.20	1,317,923.20
Money Out	(46,329.00)	1.5418	(71,430.05)	(996,462.41)	(1,067,892.46)
Total Future Transactions Company	<u>(46,329.00)</u>		<u>(71,430.05)</u>	<u>321,460.79</u>	<u>250,030.74</u>
Global Information	0.00	1.5418	0.00	152,396.31	152,396.31
Total Related Parties	<u>(46,329.00)</u>		<u>(71,430.05)</u>	<u>775,476.42</u>	<u>704,046.37</u>
Deposits to be determined					
Deposits to be determined	0.00	1.5418	0.00	166,545.56	166,545.56
Collection	0.00	1.5418	0.00	163,236.54	163,236.54
Total Deposits to be determined	<u>0.00</u>		<u>0.00</u>	<u>329,782.10</u>	<u>329,782.10</u>
Credit Suisse AG	0.00	1.5418	0.00	164,398.63	164,398.63
Maximum Value Promtions, LLC	0.00	1.5418	0.00	85,365.51	85,365.51
The Hybrid Group Inc.			0.00		
Money In	0.00	1.5418	0.00	802,948.44	802,948.44
Money Out	0.00	1.5418	0.00	(740,560.95)	(740,560.95)
Total The Hybrid Group Inc.	<u>0.00</u>		<u>0.00</u>	<u>62,387.49</u>	<u>62,387.49</u>
Bruno Lacroix	0.00	1.5418	0.00	30,150.00	30,150.00
Madame Martin Denise	0.00	1.5418	0.00	27,195.18	27,195.18
Barbara Annemarie Hagmayer	0.00	1.5418	0.00	25,000.00	25,000.00
Caroline De Champeaux	0.00	1.5418	0.00	24,989.06	24,989.06
Joelle Bernard	0.00	1.5418	0.00	20,000.00	20,000.00
Vigneau Dufour Brigitte	0.00	1.5418	0.00	18,988.94	18,988.94
Melle Farida aka Diri	0.00	1.5418	0.00	15,435.52	15,435.52
Payment Services Directive	0.00	1.5418	0.00	11,187.00	11,187.00
France Conseil Paris	0.00	1.5418	0.00	10,000.00	10,000.00
Snocope Credit Union	0.00	1.5418	0.00	981.46	981.46
Chermette Lau	0.00	1.5418	0.00	966.95	966.95
Total Income	<u>1,943,039.45</u>		<u>2,995,778.22</u>	<u>12,740,126.57</u>	<u>15,735,904.79</u>
Expense					
International Payment Systems	767,809.00	1.5418	1,183,807.92	5,736,039.08	6,919,847.00
Related Entities					
Website Solutions	470,310.35	1.5418	725,124.50	3,225,708.95	3,950,833.45
Lee Kenny					
American Express	161,158.48	1.5418	248,474.14	0.00	248,474.14
Lee Kenny - Other	131,803.21	1.5418	203,214.19	28,810.94	232,025.13
Total Lee Kenny	<u>292,961.69</u>		<u>451,688.33</u>	<u>28,810.94</u>	<u>480,499.27</u>
Natalia Babenko	0.00	1.5418	0.00	149,051.82	149,051.82
PL Holdings	12,728.64	1.5418	19,625.02	0.00	19,625.02

GIN Foundation (UK)

Cash Receipts & Disbursements
January 1 through September 6, 2013

	<u>GBP</u>	<u>Ave. Exch Rate</u>	<u>USD</u>	<u>USD</u>	<u>TOTAL</u>
Natural Cures Health institute	0.00	1.5418	0.00	12,362.55	12,362.55
Total Related Entities	776,000.68		1,196,437.85	3,415,934.26	4,612,372.11
Global Sales Solutions					
Money Out	388,872.50	1.5418	599,563.62	884,916.32	1,484,479.94
Money In	(9,034.57)	1.5418	(13,929.50)	(109,913.78)	(123,843.28)
Total Global Sales Solutions	379,837.93		585,634.12	775,002.54	1,360,636.66
NCL (Bahamas) Ltd.	0.00	1.5418	0.00	865,076.01	865,076.01
Winston and Strawn LLP	25,495.23	1.5418	39,308.55	507,399.48	546,708.03
Office Pool	311,496.97	1.5418	480,266.03	164,461.67	644,727.70
Netovative LLC	68,942.34	1.5418	106,295.30	330,230.57	436,525.87
CardFlex	109,355.00	1.5418	168,603.54	196,731.32	365,334.86
Receiver	2,720.50	1.5418	4,194.47	258,032.56	262,227.03
Marc Lane	85,255.73	1.5418	131,447.28	140,222.86	271,670.14
WP Buz Barlow	19,158.44	1.5418	29,538.48	100,153.86	129,692.34
Budds Gunisao Lake	0.00	1.5418	0.00	95,009.02	95,009.02
Snowflake Information Services	74,598.31	1.5418	115,015.67	15,758.38	130,774.05
Faruki Ireland & Cox P.L.L.	0.00	1.5418	0.00	63,840.76	63,840.76
Law Office of D????	0.00	1.5418	0.00	20,038.05	20,038.05
Snowflake Media Ltd.	14,683.52	1.5418	22,639.05	0.00	22,639.05
Element Lifestyle	0.00	1.5418	0.00	9,134.81	9,134.81
Payments to be identified	0.00	1.5418	0.00	7,938.00	7,938.00
Jangomail.com	0.00	1.5418	0.00	7,718.69	7,718.69
Mrs. C A Wiseman	0.00	1.5418	0.00	7,674.53	7,674.53
A.D. Properties 64 LLC	0.00	1.5418	0.00	7,674.53	7,674.53
Michael Baer	7,042.16	1.5418	10,857.60	0.00	10,857.60
TLC Promotions, Inc.	0.00	1.5418	0.00	5,037.81	5,037.81
Unikom	3,307.62	1.5418	5,099.69	0.00	5,099.69
Baytree National	0.00	1.5418	0.00	2,724.88	2,724.88
Crozier & Associates	0.00	1.5418	0.00	2,537.79	2,537.79
Paul Reid	2,127.90	1.5418	3,280.80	0.00	3,280.80
Sundry Dr.	0.00	1.5418	0.00	1,783.46	1,783.46
Moore Van Allen	0.00	1.5418	0.00	1,038.10	1,038.10
Salix Data	0.00	1.5418	0.00	686.25	686.25
Sophie Curri van	651.12	1.5418	1,003.90	0.00	1,003.90
Bank Line	434.11	1.5418	669.31	0.00	669.31
Bank Fees	0.00	1.5418	0.00	409.04	409.04
Fosdick Corp	0.00	1.5418	0.00	87.46	87.46
IBC City	0.00	1.5418	0.00	38.46	38.46
Total Expense	2,648,916.56		4,084,099.55	12,738,414.23	16,822,513.78
Net Income	(705,877.11)		(1,088,321.33)	1,712.34	(1,086,608.99)

Exhibit 7

Bankline - Natwest

Page 1 of 2



Logged in as: **Paul Reid** of **Global Information Network**
Fdn

You last logged in on: **6th September 2013** at
16:55

Broadcast:

You have received new urgent message(s). Select **Read Urgent Messages** to view these.

NB: The current page and any data selected/input will not be affected when viewing the message.

Payment debit advice

Name:	GLOBAL INFORMATION NETWORK FDN UNIT 1, CAUSEY HALL	Our ref:	EBANKGO52445657
Address:	DISPENSARY WALK HALIFAX HX1 1QR	Your ref:	NAT - GIN COMM
		Date:	20th August 2013
		Time:	10:34:21
		Delivery Ref:	00168981962

We confirm having remitted the following Urgent transfer

Amount debited:	USD 16,345.02	Date payment to leave:	20th August 2013
From account:	██████	Beneficiary bank:	GLOBAL BANK OF COMMERCE ST JOHN'S ANTIGUA
Amount sent:	USD 16,305.79		
In favour of:	NATALIYA BABENKO	Payee bank:	BANK OF AMERICA, N.A.
Beneficiary account number:	██████	Ordered by:	GLOBAL INFORMATION NETWORK FDN
Payment details:	GIN COMMISSION FUNDS FOR FINAL CREDIT TO ACCOUNT CK- - NATALIYA BABENKO		

Transactional information

Requested amount:	USD 16,305.79
Exchange rate:	
Deal reference:	
NWB commission charges:	USD 25.62
NWB commission charges information:	
Agent Bank charges amount:	USD 13.61

Government Exhibit

36

From: Kevin Trudeau <kevintrudeau@[REDACTED]>
Sent: Monday, February 20, 2012 2:44 PM
To: Neilsant@[REDACTED]
Subject: Fwd: Your invoice for eBay purchases: Patek Philippe 18K White Gold Diamond Nautilus Cufflinks (190576785281#), Patek Philippe 18K White Gold Diamond Ellipse Cufflinks (190576787490#)

Kevin Trudeau
1 NY Times Bestselling Author
www.kevintrudeau.com
www.naturalcures.com
www.ktapproved.com
www.yourwishisyourcommand.com

-----Original Message-----

From: eBay <ebay@ebay.com>
To: kevintrudeau <kevintrudeau@aol.com>
Sent: Mon, Feb 20, 2012 9:09 am
Subject: Your invoice for eBay purchases: Patek Philippe 18K White Gold Diamond Nautilus Cufflinks (190576785281#), Patek Philippe 18K White Gold Diamond Ellipse Cufflinks (190576787490#)



eBay sent this message to kevin trudeau (kevintrudeau).
Your registered name is included to show this message originated from eBay. [Learn more.](#)

Invoice

Dear kevintrudeau,

Pay Now

Thank you for shopping on eBay! Your total amount due is \$12,470.99. More details about your purchase are included below.

Item #	Item Title	Quantity	Price	Amount
190576785281	Patek Philippe 18K White Gold Diamond Nautilus Cufflinks	1	\$6,700.00	\$6,700.00
190576787490	Patek Philippe 18K White Gold Diamond Ellipse Cufflinks	1	\$5,755.00	\$5,755.00

Subtotal: \$12,455.00

Shipping and handling via Standard Shipping: \$15.99

Total: \$12,470.99

Email reference id: [#554b85e46faa40ecb6da9a7de3676302#]

Please don't remove this number. eBay customer support may ask you for this number, if you should need assistance.

[Learn More](#) to protect yourself from spoof (fake) emails.

eBay sent this email to you at kevintrudeau@aol.com about your account registered on www.ebay.com.

eBay will periodically send you required emails about the site and your transactions. Visit our [Privacy Policy](#) and [User Agreement](#) if you have any questions.

Copyright © 2012 eBay Inc. All Rights Reserved. Designated trademarks and brands are the property of their respective owners. eBay and the eBay logo are trademarks of eBay Inc. eBay Inc. is located at 2145 Hamilton Avenue, San Jose, CA 95125.

CONFIDENTIAL

PXA:27

WSU018009