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Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

Federal Trade Commission;

Plaintiff,

v.

Vemma Nutrition Company, a corporation;
Vemma International Holdings, Inc., a
corporation;
Benson K. Boreyko a/k/a **B.K. Boreyko**, an
individual; and
Tom Alkazin, an individual;

Defendants, and

Bethany Alkazin, an individual;

Relief Defendant.

No. CV-15-01578-PHX-JJT

**PLAINTIFF FEDERAL
TRADE COMMISSION'S
NOTICE OF
SUPPLEMENTAL
EVIDENCE**

Pursuant to Paragraph XXIV of the Court's Temporary Restraining Order (Docket No. 25), Plaintiff Federal Trade Commission hereby submits its supplemental evidence in support of its application for a preliminary injunction. The supplemental evidence is the attached Second Declaration of Federal Trade Investigator Matthew Thacker (App. 1841 to App. 1842) and corresponding documents marked App. 1843 to App. 1869.

Dated: August 28, 2015

Respectfully submitted,

JONATHAN E. NUECHTERLEIN
General Counsel

/s/ Jason C. Moon

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Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

CERTIFICATE OF SERVICE

I certify that Plaintiff Federal Trade Commission has provided a true and correct copy of the foregoing document, with attached declaration and exhibits, to Defendants in compliance with Paragraph XXIV of the Temporary Restraining Order issued by the Court on August 21, 2015. Defendants were served as follows:

- A. Vemma Nutrition Company
Vemma International Holdings, Inc.

Service by email through counsel Kevin Quigley of Quarles & Brady, LLP
Email address: Kevin.Quigley@quarles.com

- B. Benson K. Boreyko

Service by email through counsel John Clemency of Gallagher & Kennedy
Email address: john.clemency@gknet.com

- C. Tom Alkazin
Bethany Alkazin

Service by email through counsel Keith Beauchamp of Coppersmith
Brockelman, PLC
Email address: Kbeauchamp@cblawyers.com

Dated: August 28, 2015

/s/ Jason C. Moon

Jason C. Moon

JONATHAN E. NUECHTERLEIN
General Counsel

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Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA**

Federal Trade Commission;

Plaintiff,

v.

Vemma Nutrition Company, a corporation;
Vemma International Holdings, Inc., a
corporation;
Benson K. Boreyko a/k/a **B.K. Boreyko**,
individually and as an officer of Vemma
Nutrition Company and Vemma International
Holdings, Inc.; and
Tom Alkazin, an individual;

Defendants, and

Bethany Alkazin, an individual;

Relief Defendant.

No. CV-15-01578-PHX-JJT

**APPENDIX – VOLUME VII
APP. 1841 - 1869
(SUPPLEMENTAL EVIDENCE
FOR CONSIDERATION AT
THE PRELIMINARY
INJUNCTION HEARING)**

TABLE OF CONTENTS	
Title	App. #
Second Declaration of Federal Trade Investigator Matthew Thacker	1841 - 1842
Selected Documents from Folder Labeled “Income Disclosure Statement	1843 - 1869

**SECOND DECLARATION OF FTC INVESTIGATOR MATTHEW J. THACKER
PURSUANT TO 28 U.S.C. § 1746**

I, Matthew J. Thacker, declare that I have personal knowledge of the facts set forth below. If called as a witness before any court, I could and would testify as follows:

1. I am over the age of 21 and competent to give this declaration. I am a Federal Trade Investigator with the Federal Trade Commission (FTC). My business address is 1999 Bryan Street, Suite 2150, Dallas, Texas 75201.

2. As part of my duties, I have been assigned to work on the investigation of Vemma Nutrition Company (Vemma) and Vemma International Holdings, Inc. (VIH), and related individuals, Benson K. Boreyko (BK Boreyko) and Tom Alkazin (T. Alkazin) (collectively Defendants).

3. On August 24-26, 2015, the Court-appointed Temporary Receiver Robb Evans and Associates LLC granted the FTC access to Vemma's and VIH's premises located at 1621 W. Rio Salado Parkway, Tempe AZ 85281.

4. FTC Staff reviewed and identified documents or folders of documents for copying, located in a room labeled "Work Room." After the documents or folders were identified for copying, I verified each document or folder and its approximate location. On August 26, 2015, I placed all of the documents and folders to be copied into a box and provided them to the litigation copy service Quick and Confidential (Q&C). On August 27, 2015, Q&C emailed PDF versions of the documents via secure file transfer to me.

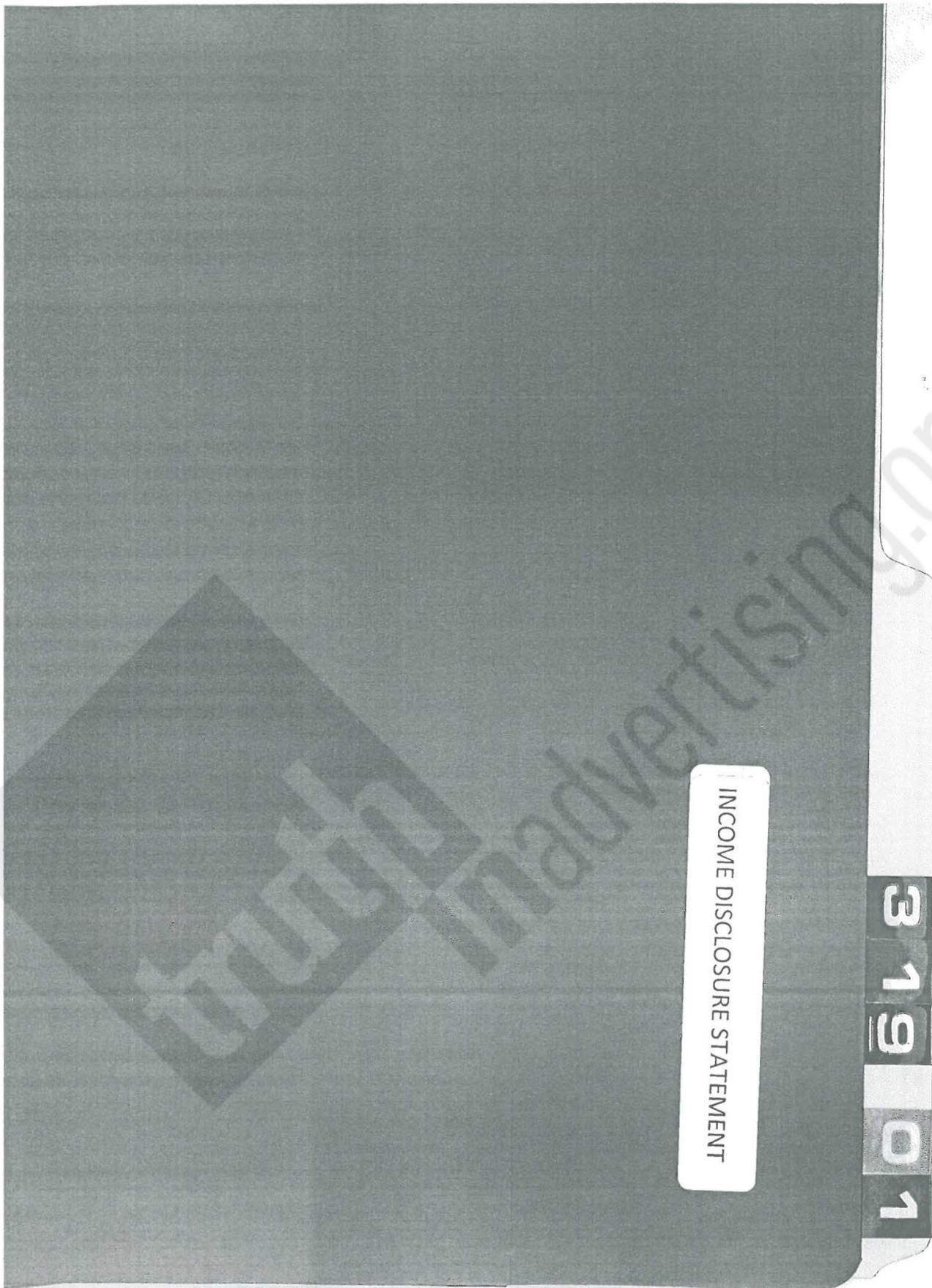
5. App. 1843 – App. 1869 consists of true and correct copies of pages removed from a folder in the Work Room labeled "Income Disclosure Statement" (marked by Vemma as folder number 319 01) and subfolders labeled "319.01 – 2014 Income Disclosure Statement" and "319.01 – 2013 Income Disclosure Statement.

I declare, under penalty of perjury, that the foregoing statement is true and correct.

Executed on August 28, 2015, at Dallas, Texas.


MATTHEW J THACKER

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319.01 – 2014 INCOME DISCLOSURE STATEMENT

truth

inadvertising.org®

4/15/2015 @3:30pm

Meeting with BK, Chris and Kevin to discuss 2014 Income Disclosure Statement stats

- BK agreed to the 2014 income stats for the income disclosure statement
- BK agreed not to list the total number of Affiliates vs. Customers
- BK would like to have three stats listed on one income disclosure sheet to include US, Canada and Global numbers
 - Chris agreed

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Allison J. Tengan

From: Doug Peterson
Sent: Thursday, April 09, 2015 2:48 PM
To: Allison J. Tengan; Chris Reid; Kevin Murphy
Cc: Marc Kleinkopf; Michael Woodford
Subject: RE: 2014 Income Disclosure Statement
Attachments: 2014 - Affiliate and Customer Counts 20150311 - 35wks inactive.xlsx; 2014 - Affiliate and Customer Counts 20150409 - 35wks inactive-Aff Model.xlsx

Attached are the two versions of the 2014 Income Disclosure based on the inactivity weeks being at 35 (which was similar to last year's data pull) that Kevin and I agreed upon would be best to use instead of the stricter 28 weeks.

The two versions are:

1. "2014 - Affiliate and Customer Counts 20150311 - 35wks inactive" which is what we completed a few weeks back and is based on the counts per account status (M, P, U, etc.). This is the method we have used in all years in which we began to disclose this type of data with the exception of 2013 (last year). I think we began to do disclosure statements 2009 or 2010.
2. "2014 - Affiliate and Customer Counts 20150409 - 35wks inactive-Aff Model" which is a version put together like 2013 in which we redefined account statuses based on whether or not they enrolled another account. Those that enrolled another account are classified as Affiliates and those that did not are Customers (aka the "Affiliate Model" that we followed from Apr to Oct of 2014).

Please let us know if you have any questions,

VEMMA

Doug Peterson Applications Operator Supervisor
doug.peterson@vemma.com

From: Allison J. Tengan
Sent: Thursday, April 09, 2015 9:14 AM
To: Doug Peterson
Cc: Kevin Murphy; Michael Woodford
Subject: RE: 2014 Income Disclosure Statement

Hey Doug, can you please give me an ETA? I'm getting inquiries from the field about our new income disclosure statement. Thanks.

From: Allison J. Tengan
Sent: Wednesday, April 08, 2015 12:20 PM
To: Doug Peterson
Cc: Kevin Murphy; Michael Woodford
Subject: RE: 2014 Income Disclosure Statement

Hi Doug-

Just following up on my email.

Thanks-

Allison

From: Allison J. Tengan
Sent: Wednesday, April 01, 2015 12:04 PM
To: Doug Peterson
Cc: Kevin Murphy
Subject: 2014 Income Disclosure Statement
Importance: High

Hi Doug-

Brad asked the status of the 2014 Income Disclosure Statement in today's Directors' meeting. I believe you were running another report with the same parameters as the 2013 Income Disclosure Statement. Can you please let us know when you'll have these numbers as Brad would like to see them as soon as possible.

Thanks-
Allison



Allison Tengan Vice President of Legal Affairs
allison@vemma.com

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2014 - Affiliate and Customer Counts 20150311 - 35wks inactive

Affiliates	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa		12,806					1	12,807
Asia		9,613	2				2	9,617
Aus		2,243				1	1	2,245
Canada		6,382				2	40	6,424
Carib		108						108
Europe		42,184	1	32	82		549	42,848
Iceland		280						280
India		2,295						2,295
Japan		45						45
Mexico		4,259				50	20	4,329
SoAmer		2,473		1				2,474
USA		61,056	48	146	164	13	348	61,775
DomRep		101						101
Grand Total		143,845	51	179	299	13	961	145,348

Current Status	Description
M	Brand Partner (Affiliate)
N	House Account (Affiliate)
P✓	Customer (used for Customer Loyalty Program)
Q	Grandfathered Customer
S	Suspended
U✓	Preferred Customer
V	Suspended by Compliance
Statuses excluded from these counts	
D	Duplicate or Test
I	Placeholder
R	Resigned
T	Terminated
W	Employee

Customers	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa		1,083					1	1,084
Asia		5,457					1	5,458
Aus		1,544				31		1,575
Canada		3,824				303		4,127
Carib		37						37
Europe		35,737				733		36,470
Iceland		511				8		519
India		26				1		27
Japan		17				2		19
Mexico		5,934				1		5,935
SoAmer		939						939
USA		41,266	1			4,821		46,088
DomRep		41						41
Grand Total		96,416	1			5,902		102,319

2014 - Affiliate and Customer Counts 20150311 - 35wks inactive

Combined Market	Current Status M	N	P	Q	S	U	V	Grand Total
Africa	12,806		1,083			1	1	13,891
Asia	9,613	2	5,457			1	2	15,075
Aus	2,243		1,544		1	31	1	3,820
Canada	6,382		3,824		2	303	40	10,551
Carib	108		37					145
Europe	42,184	1	35,769		82	733	549	79,318
Iceland	280		511			8		799
India	2,295		26			1		2,322
Japan	45		17			2		64
Mexico	4,259		5,934		50	1	20	10,264
SoAmer	2,473		940					3,413
USA	61,056	48	41,412		1	164	4,834	107,863
DomRep	101		41					142
Grand Total	143,845	51	96,595		1	299	5,915	247,667

2014 - Affiliate and Customer Counts 20150409 - 35wks inactive-Aff Model

Affiliates	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa		5,028	2	3			1	5,032
Asia		3,380	2	3			2	3,387
Aus		1,060				1	1	1,062
Canada		3,001				1	12	3,014
Carib		52						52
Europe		22,942		22	18		169	23,151
Iceland		150						150
India		1,317						1,317
Japan		18						18
Mexico		2,776		1	22		3	2,802
SoAmer		1,559						1,559
USA		29,656	11	25	47	2	94	29,835
DomRep		56		1				57
Grand Total		70,995	13	55	89	2	282	71,436

Current Status	Description
M	Brand Partner (Affiliate)
N	House Account (Affiliate)
P	Customer (used for Customer Loyalty Program)
Q	Grandfathered Customer
S	Suspended
U	Preferred Customer
V	Suspended by Compliance

Statutes excluded from these counts	
D	Duplicate or Test
I	Placeholder
R	Resigned
T	Terminated
W	Employee

= Based on whether or not you enrolled someone = Aff

Customers	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa		7,778	1,080			1		8,859
Asia		6,233	5,454			1		11,688
Aus		1,183	1,544			31		2,758
Canada		3,381	3,824	1	303	28		7,537
Carib		56	37					93
Europe		19,242	1,35,747	64	733	380		56,167
Iceland		130	511		8			649
India		978	26		1			1,005
Japan		27	17		2			46
Mexico		1,483	5,933	28	1	17		7,462
SoAmer		914	940					1,854
USA		31,400	37,41,387	1,117	4,832	254		78,028
DomRep		45	40					85
Grand Total		72,850	38,96,540	1,210	5,913	679		176,231

2014 - Affiliate and Customer Counts 20150409 - 35wks inactive-Aff Model

Combined	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa	12,806	1,083				1	1	13,891
Asia	9,613	2	5,457			1	2	15,075
Aus	2,243	1,544				31	1	3,820
Canada	6,382	3,824				2	303	10,551
Carib	108	37						145
Europe	42,184	1	35,769			82	733	79,318
Iceland	280	511					8	799
India	2,295	26					1	2,322
Japan	45	17					2	64
Mexico	4,259	5,934				50	1	10,264
SoAmer	2,473	940						3,413
USA	61,056	48	41,412			1	164	107,863
DomRep	101		41					142
Grand Total	143,845	51	96,595	1	299	5,915	961	247,667

Allison J. Tengan

From: Kevin Murphy
Sent: Friday, March 20, 2015 1:58 PM
To: Doug Peterson; Allison J. Tengan
Cc: Jonathan L. Hynes
Subject: RE: Affiliate / Customer counts

Thx for the look at it.

From: Doug Peterson
Sent: Thursday, March 19, 2015 4:55 PM
To: Kevin Murphy; Allison J. Tengan
Cc: Jonathan L. Hynes
Subject: RE: Affiliate / Customer counts

Kevin,

I took some time to discuss your question with Jonathan and we independently came up with the same conclusion...

The increases are fairly small and it looks like the Avg earners per 4wk went down at each of those levels.. so the people earning it were the consistent ones, most likely those with higher earning accounts, as opposed to people that would hit it once or twice and then drop back to a lower paid as rank. Thus with fewer consistent earners the overall avg goes up a bit.

As far as particular bonuses driving the increase, there is not any particular factor there that would have caused the slight increase.

V E M M A

Doug Peterson Applications Operator Supervisor
doug.peterson@vemma.com

From: Kevin Murphy
Sent: Thursday, March 19, 2015 3:46 PM
To: Doug Peterson; Allison J. Tengan
Subject: RE: Affiliate / Customer counts

Any particular reason why Platinum, Star Executive and Ambassador level earnings increased from last year?

From: Doug Peterson
Sent: Wednesday, March 18, 2015 3:44 PM
To: Kevin Murphy
Subject: RE: Affiliate / Customer counts

Kevin,

I have attached the spreadsheets for the counts based on the inactivity counter being 35 weeks and also at 28 weeks.



Doug Peterson Applications Operator Supervisor
doug.peterson@vemma.com

From: Kevin Murphy
Sent: Wednesday, March 18, 2015 3:32 PM
To: Doug Peterson
Subject: Affiliate / Customer counts

Doug, can you send me the headcount spreadsheets that we discussed (on Friday I believe)?

Brad is looking to finalize so I want to make sure I have your latest work sheets.

Thanks

2014 - Affiliate and Customer Counts 20150311.xlsx

Term
Rep at 28 wks

Affiliates	Current Status	N	P	S	U	V	Grand Total
Market	M						
Africa	10,573					1	10,574
Asia	8,034	2				2	8,038
Aus	1,848			1		1	1,850
Canada	5,352			2		40	5,394
Carib	98						98
Europe	35,790	1	30	82		549	36,452
Iceland	239						239
India	2,295						2,295
Japan	42						42
Mexico	3,198			50		20	3,268
SoAmer	2,473		1				2,474
USA	51,369	48	123	164	13	348	52,065
DomRep	89						89
Grand Total	121,400	51	154	299	13	961	122,878

Current Status
M
N
P
Q
S
U
V

Statuses excluded from these counts
D
I
R
T
W

Customers	Current Status	N	P	S	U	V	Grand Total
Market	M						
Africa			793			1	794
Asia			4,088			1	4,089
Aus			1,056		27		1,083
Canada			2,658		240		2,898
Carib			31				31
Europe			28,097		676		28,773
Iceland			398		4		402
India			26		1		27
Japan			10		2		12
Mexico			3,817		1		3,818
SoAmer			839				839
USA			27,296		3,954		31,250
DomRep			20				20
Grand Total			69,129		4,907		74,036

Page Term at 35 wks

2014 - Affiliate and Customer Counts 20150311 August.xlsx

Affiliates	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa	12,806						1	12,807
Asia	9,613	2					2	9,617
Aus	2,243			1			1	2,245
Canada	6,382			2			40	6,424
Carib	108							108
Europe	42,184	1	32	82			549	42,848
Iceland	280							280
India	2,295							2,295
Japan	45							45
Mexico	4,259			50			20	4,329
SoAmer	2,473		1					2,474
USA	61,056	48	146	164		13	348	61,775
DomRep	101							101
Grand Total	143,845	51	179	299		13	961	145,348

Current Status
M
N
P
Q
S
U
V

Statuses excluded from these counts
D
I
R
T
W

Customers	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa			1,083				1	1,084
Asia			5,457				1	5,458
Aus			1,544			31		1,575
Canada			3,824			303		4,127
Carib			37					37
Europe			35,737			733		36,470
Iceland			511			8		519
India			26			1		27
Japan			17			2		19
Mexico			5,934			1		5,935
SoAmer			939					939
USA			41,266	1		4,821		46,088
DomRep			41					41
Grand Total			96,416	1		5,902		102,319

2013 - Affiliate and Customer Counts 20140203.xlsx

Affiliates	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa	2,225							2,225
Asia	4,233	1					1	4,235
Aus	1,143							1,143
Canada	5,626				1		6	5,633
Carib	75							75
Europe	18,893		13				1	18,920
Iceland	115							115
India	7,755							7,755
Japan	38							38
Mexico	2,568						1	2,569
SoAmer	358							358
USA	61,999	2	48	3	44	2	87	62,185
Grand Total	105,028	3	61	3	58	2	96	105,251

Did not purchase Aff. Pack or email engine

Customers	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa	8,885		13			2		8,900
Asia	12,391		603			10	1	13,005
Aus	1,759		592			3		2,354
Canada	7,639		6,363			86	19	14,107
Carib	126		13			7		146
Europe	26,327		22,746		15	689		49,777
Iceland	168		261			8		437
India	6,522		18					6,540
Japan	43		20			2		65
Mexico	2,689		2					2,691
SoAmer	400							400
USA	82,482	4	63,239	102	79	1,892	168	147,966
Grand Total	149,431	4	93,870	102	94	2,699	188	246,388

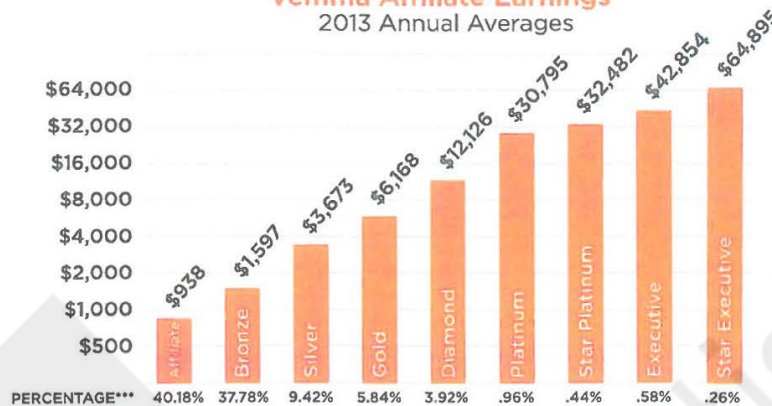
2013 Grand or Affiliate Model

Vemma Nutrition Company 2013 U.S. Disclosure Statement

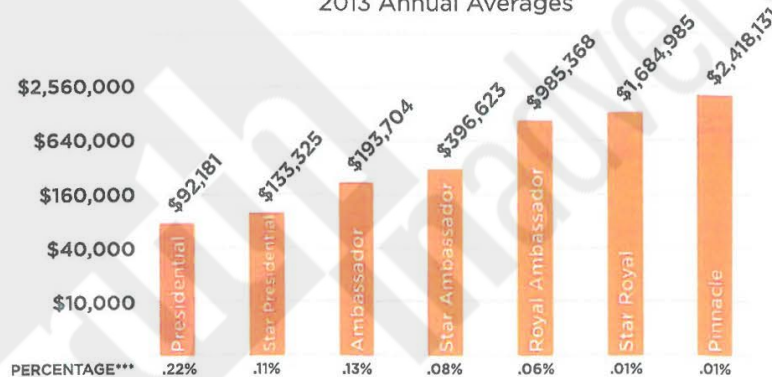
Vemma prides itself on quality, innovative products that provide our customers real health results. In 2013, 246,388 active customers enjoyed the brands that make up the Vemma family of wellness products, and we are thankful for each and every one of them. These customers are the reason we exist. Their families' wellness needs are what drives us to formulate and manufacture the finest, most complete nutritional solutions available anywhere. Brands made in America, keeping hundreds of jobs in the USA.

The Vemma flagship brand, along with Verve and Bod-e brands are promoted through a positive, very social network of Affiliates that have fallen in love with these products and want to share them with the people they care about. These active** Affiliates totaling 105,251 in 2013, are utilizing a business model very similar to the Amazon.com affiliate program, and have the opportunity to earn free product for their customer referrals and customer and Affiliate bonuses for promoting the brands and opportunity.

Vemma Affiliate Earnings* 2013 Annual Averages



Vemma Elite Earnings* 2013 Annual Averages



Vemma Nutrition 2013 Customer vs. Affiliate Profile



* The figures stated above are not a guarantee nor are they a projection of a typical Affiliate's earnings or profits. Like any other independent business, the achievement or failure of an Affiliate depends upon his or her skill set, commitment and desire to succeed. At Vemma, the opportunity to earn more is always available to each and every Affiliate. For more information on Vemma's Compensation Plan, please go to <http://www.vemma.com/backoffice/pdf/compensationPlan.pdf>

** Active, means an Affiliate has a minimum of 60 reward points every month. Platinum and above Affiliates are considered active if they have 120 reward points every month.

***Percent of average earners per 4 week period.

Allison J. Tengan

From: Doug Peterson
Sent: Thursday, February 06, 2014 1:20 PM
To: Allison J. Tengan
Cc: Kevin Murphy
Subject: RE: 2013 income disclosure.
Attachments: Vemma 2013 Annual Income Stats.xlsx; Affiliate and Customer Counts 20140203.xlsx; Vemma 2013 Affiliate Annual Income Stats.xlsx

Hi, 2:30 it is!

I have attached the following reports:

Vemma 2013 Annual Income Stats - This is the same report that we have used in past years except that I removed the column "Avg. Total Earners per 4wk" that was causing confusion. So now that value is only found as the Grand Total of the "Avg Earners Paid Per 4wk" column.

Vemma 2013 Affiliate Annual Income Stats - This is in the same format as the other report but I added two more data fields to the report. One field identifies whether the account joined in 2013 or prior to 2013 (as BK had requested). The other field classifies the accounts as "Affiliate" or "Customer" based on the new definition of a customer = a BP that did not enroll anyone. The report shows the scenarios of accounts classified as "Affiliates" with the first tab showing the earnings for those who joined Vemma "pre 2013" and the second tab showing the earnings for those who joined Vemma in 2013. Each tab shows Global, USA only and CA only earnings for Affiliates.

Affiliate and Customer Counts 20140203 - This provides a breakdown of the counts per market based on the current account statuses but grouped into the new "Affiliate" or "Customer" classification. Noteworthy is that based on the new definition of Affiliates, only 105,028 of the 254,459 current status M accounts would be classified as Affiliates.

Doug Peterson Applications Operator Supervisor
doug.peterson@vemma.com

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

From: Allison J. Tengan
Sent: Thursday, February 06, 2014 12:33 PM
To: Doug Peterson
Subject: RE: 2013 income disclosure.

Doug, I'm trying to get a hold of Kevin to see if he can get on a call. I left a voicemail message for him. In the interim, can you forward the revised reports prior to our call?

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

From: Doug Peterson
Sent: Thursday, February 06, 2014 11:57 AM
To: Allison J. Tengan; Kevin Murphy
Subject: RE: 2013 income disclosure.

So sometime around 2:15 work for both of you? Allison we can call from your office.

Doug Peterson Applications Operator Supervisor doug.peterson@vemma.com

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

From: Allison J. Tengan
Sent: Thursday, February 06, 2014 11:11 AM
To: Doug Peterson; Kevin Murphy
Subject: RE: 2013 income disclosure.

I'd like to include Kevin Murphy as well. Can you please send us the revised reports prior to our meeting?

I have from a conference call from 1:30-2:00 and a meeting from 3:-3:30.

Kevin, are you available to meet or get on a call sometime this afternoon to go over 2013 income disclosure reports?

Thanks-
Allison

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

From: Doug Peterson
Sent: Thursday, February 06, 2014 10:44 AM
To: Allison J. Tengan
Subject: RE: 2013 income disclosure.

Allison, can we go over the reports after 1pm today?

Doug Peterson Applications Operator Supervisor doug.peterson@vemma.com

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

From: Allison J. Tengan
Sent: Wednesday, February 05, 2014 2:06 PM
To: Kevin Murphy
Cc: Doug Peterson
Subject: RE: 2013 income disclosure.

Yes, I received the reports from Doug yesterday afternoon; however, Doug needs to make adjustments to a few of the reports.

Doug, when will you be able to send us the updated reports?

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

From: Kevin Murphy
Sent: Wednesday, February 05, 2014 2:04 PM
To: Allison J. Tengan
Subject: RE: 2013 income disclosure.

Allison, any update?

BK was asking for the numbers.

Thx

Kevin

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

From: Allison J. Tengan
Sent: Wednesday, January 22, 2014 1:49 PM
To: Jeff Brademeyer; BK Boreyko; Peter Reilly; Chris Reid; Brad Wayment; Kevin Murphy; Mark Patterson
Subject: RE: 2013 income disclosure.

I have requested the report from IT.

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

From: Jeff Brademeyer
Sent: Wednesday, January 22, 2014 1:48 PM
To: BK Boreyko; Peter Reilly; Chris Reid; Allison J. Tengan; Brad Wayment; Kevin Murphy; Mark Patterson
Subject: RE: 2013 income disclosure.

Brad -- will you be looking to have someone in IT pull these figures or do you need any of this to come from me? Let me know what assistance you need from Accounting on this.

Jeff Brademeyer
Vice President - Finance

Vemma Nutrition Company
P: 480.927.8809
F: 480.927.8988
8322 East Hartford Drive
Scottsdale, AZ 85255

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

From: BK Boreyko
Sent: Wednesday, January 22, 2014 10:00 AM
To: Peter Reilly; Chris Reid; Allison J. Tengan; Brad Wayment; Jeff Brademeyer; Kevin Murphy; Mark Patterson
Subject: 2013 income disclosure.

Team,

Now that we've begun the transition to affiliate marketing, lets start working on last years disclosure using our new terms and definitions.

Here's what I'd like to see for 2013 totals:

Total customer count disclosed based on our new definitions. (BPs that didn't enroll anyone would be converted to the new customer term)

Affiliates income disclosed by rank in two categories. 12 months or newer with the company. Second group 1 yr + with the company.

I think this would give a better snap shot of actual earnings.

Any idea when we can get this out?

Stay strong, stay positive!

BK

truthinadvertising.org®

2013

Market	Canada									
Rank	RankDescr	Avg Earners Paid Per 4wk	% of 4wk Earners	4wk High	4wk Low	Avg Earnings per 4wk	Annualized Avg Earnings	Times Achieved per Year	Total Earnings for the Year	
1	01 M Member	390.2	38.89%	\$3,120.00	\$0.00	\$111.18	\$1,445.29	5,073	\$563,996.70	
2	02 BRZ Bronze Leader	380.2	37.89%	\$1,353.42	\$20.00	\$131.70	\$1,712.06	4,942	\$650,845.24	
3	03 SIL Silver Leader	100.9	10.06%	\$3,140.00	\$100.00	\$324.51	\$4,218.60	1,312	\$425,754.46	
4	04 GLD Gold Leader	64.2	6.40%	\$3,400.00	\$200.00	\$501.10	\$6,514.27	834	\$417,915.42	
5	05 DIA Diamond Leader	43.5	4.34%	\$7,679.13	\$400.00	\$926.37	\$12,042.87	565	\$523,401.67	
6	06 PLT Platinum Leader	7.6	0.76%	\$2,726.57	\$993.00	\$1,619.07	\$21,047.92	99	\$160,288.03	
7	07 SPL Star Platinum	5.2	0.52%	\$3,958.00	\$1,480.00	\$2,364.60	\$30,739.84	68	\$160,793.00	
8	08 EXE Executive	5.2	0.52%	\$4,961.48	\$2,040.00	\$3,424.11	\$44,513.45	67	\$229,415.46	
9	09 STE Star Executive	2.4	0.24%	\$6,670.00	\$3,700.00	\$5,134.95	\$66,754.37	31	\$159,183.49	
10	10 PRE Presidential	1.9	0.19%	\$8,712.00	\$4,915.00	\$6,960.63	\$90,488.21	25	\$174,015.79	
11	11 SPR Star Presidential	0.3	0.03%	\$12,476.01	\$9,298.00	\$10,463.63	\$136,027.16	4	\$41,854.51	
12	12 AMB Ambassador	1.8	0.18%	\$23,688.71	\$9,557.30	\$15,881.09	\$206,454.12	23	\$365,264.98	
Grand Total		1003.4	100.02%	\$81,885.33	\$32,703.30	\$47,842.93	\$621,958.15	13,043	\$3,872,728.75	

Market		USA									
Rank	RankDescr	Avg Earners Paid Per 4wk	% of 4wk Earners	4wk High	4wk Low	Avg Earnings per 4wk	Annualized Avg Earnings	Times Achieved per Year	Total Earnings for the Year		
1	01 M Member	5482.6	44.01%	\$18,573.61	\$2.00	\$62.59	\$813.68	71,274	\$4,461,066.89		
2	02 BRZ Bronze Leader	4402.8	35.35%	\$19,043.83	\$20.00	\$122.85	\$1,597.00	57,237	\$7,031,325.19		
3	03 SIL Silver Leader	1098.4	8.82%	\$5,358.52	\$90.00	\$282.57	\$3,673.45	14,279	\$4,034,863.32		
4	04 GLD Gold Leader	681.8	5.47%	\$5,510.00	\$200.00	\$474.93	\$6,174.03	8,864	\$4,209,739.81		
5	05 DIA Diamond Leader	458.2	3.68%	\$7,102.00	\$400.00	\$933.27	\$12,132.47	5,957	\$5,559,470.71		
6	06 PLT Platinum Leader	112.1	0.90%	\$46,917.20	\$950.00	\$2,368.09	\$30,785.18	1,457	\$3,450,307.97		
7	07 SPL Star Platinum	51.7	0.42%	\$12,314.00	\$1,443.00	\$2,498.00	\$32,473.95	672	\$1,678,653.48		
8	08 EXE Executive	67.7	0.54%	\$12,782.00	\$1,975.00	\$3,370.43	\$43,815.61	880	\$2,965,979.84		
9	09 STE Star Executive	29.8	0.24%	\$7,679.40	\$3,363.00	\$4,991.92	\$64,894.92	387	\$1,931,871.99		
10	10 PRE Presidential	25.4	0.20%	\$14,064.20	\$4,500.00	\$7,090.82	\$92,180.65	330	\$2,339,970.35		
11	11 SPR Star Presidential	13.3	0.11%	\$15,761.00	\$6,805.00	\$10,255.78	\$133,325.09	173	\$1,774,249.28		
12	12 AMB Ambassador	15	0.12%	\$24,641.81	\$9,209.25	\$14,900.29	\$193,703.80	195	\$2,905,557.02		
13	13 SAM Star Ambassador	8.8	0.07%	\$53,148.00	\$7,385.40	\$30,509.46	\$396,622.92	114	\$3,478,077.87		
14	14 RAM Royal Ambassador	7	0.06%	\$122,997.20	\$32,720.00	\$75,797.53	\$965,367.89	91	\$6,897,575.24		
15	15 SRL Star Royal	0.9	0.01%	\$135,528.20	\$97,868.47	\$129,614.22	\$1,684,984.83	12	\$1,555,370.61		
16	16 PIN Pinnacle	1	0.01%	\$192,411.00	\$149,779.51	\$186,010.08	\$2,418,130.98	13	\$2,418,130.98		
Grand Total		12456.5	100.01%	\$693,831.97	\$316,710.63	\$469,282.80	\$6,100,676.44	161,935	\$56,692,210.55		

Affiliates	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa		2,225						2,225
Asia		4,233	1				1	4,235
Aus		1,143						1,143
Canada		5,626			1		6	5,633
Carib		75						75
Europe		18,893	13				1	18,920
Iceland		115						115
India		7,755						7,755
Japan		38						38
Mexico		2,568					1	2,569
Other		358						358
USA		61,999	2	48	3	44	2	62,185
Grand Total		105,028	3	61	3	58	2	105,251

Current Status	Description
M	Brand Partner (Affiliate)
N	House Account (Affiliate)
P	Customer (used for Customer Loyalty Program)
Q	Grandfathered Customer
S	Suspended
U	Preferred Customer
V	Suspended by Compliance

Statutes excluded from these counts	
D	Duplicate or Test
I	Placeholder
R	Resigned
T	Terminated
W	Employee

Customers	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa		8,885	13			2		8,900
Asia		12,391	603			10	1	13,005
Aus		1,759	592			3		2,354
Canada		7,639	6,363			86	19	14,107
Carib		126	13			7		146
Europe		26,327	22,746		15	689		49,777
Iceland		168	261			8		437
Ir		6,522	18					6,540
Japan		43	20			2		65
Mexico		2,689	2					2,691
SoAmer		400						400
USA		82,482	4	63,239	102	79	1,892	147,966
Grand Total		149,431	4	93,870	102	94	2,699	246,388

2013

Combined Market	Current Status M	N	P	Q	S	U	V	Grand Total
Africa	11,110	13				2		11,125
Asia	16,624	1	603			10	2	17,240
Aus	2,902		592			3		3,497
Canada	13,265		6,363		1	86	25	19,740
Carib	201	13				7		221
Europe	45,220	22,759		28	689	1		68,697
Iceland	283	261			8			552
India	14,277	18						14,295
Japan	81	20			2			103
Mexico	5,257	2					1	5,260
Summer	758							758
USA	144,481	6	63,287	105	123	1,894	255	210,151
Grand Total	254,459	7	93,931	105	152	2,701	284	351,639

Market Global
2013 or Pre2013 Pre2013
New Status Affiliate

Rank	RankDescr	Avg Earnings Paid Per 4wk	% of 4wk Earners	4wk High	4wk Low	Avg Earnings per 4wk	Annualized Avg Earnings	Times Achieved per Year	Total Earnings for the Year
1	01 M Member	834.5	4.35%	\$18,573.61	\$0.00	\$62.06	\$806.77	10,849	\$673,284.18
2	02 BRZ Bronze Leader	3,105.7	16.18%	\$19,043.83	\$10.00	\$77.57	\$1,008.46	40,374	\$3,131,961.13
3	03 SIL Silver Leader	1,014.4	5.28%	\$5,358.52	\$85.45	\$219.73	\$2,856.49	13,187	\$2,897,578.96
4	04 GLD Gold Leader	719.9	3.75%	\$5,510.00	\$130.00	\$405.11	\$5,266.42	9,359	\$3,791,415.32
5	05 DIA Diamond Leader	520.8	2.71%	\$6,010.00	\$400.00	\$879.75	\$11,436.77	6,770	\$5,955,919.96
6	06 PLT Platinum Leader	140.2	0.73%	\$46,917.20	\$950.00	\$2,167.41	\$28,176.34	1,822	\$3,949,023.07
7	07 SPL Star Platinum	69.0	0.36%	\$12,314.00	\$1,425.00	\$2,414.00	\$31,382.02	897	\$2,165,359.32
8	08 EXE Executive	94.4	0.49%	\$12,782.00	\$1,934.00	\$3,317.91	\$43,132.85	1,227	\$4,071,077.16
9	09 STE Star Executive	42.9	0.22%	\$8,746.80	\$3,363.00	\$5,027.22	\$65,353.82	558	\$2,805,186.83
10	10 PRE Presidential	34.1	0.18%	\$14,064.20	\$4,500.00	\$7,062.69	\$91,815.00	443	\$3,128,772.83
11	11 SPR Star Presidential	18.2	0.09%	\$15,761.00	\$6,805.00	\$10,468.23	\$136,087.03	236	\$2,470,503.00
12	12 AMB Ambassador	21.2	0.11%	\$25,333.99	\$9,209.25	\$14,985.96	\$194,817.50	275	\$4,121,139.42
13	13 SAM Star Ambassador	11.0	0.06%	\$53,148.00	\$18,290.00	\$30,205.08	\$392,666.00	143	\$4,319,325.97
14	14 RAM Royal Ambassador	8.2	0.04%	\$122,997.20	\$32,720.00	\$74,118.61	\$963,541.91	106	\$7,856,572.50
15	15 SRL Star Royal	0.9	0.00%	\$135,528.20	\$97,868.47	\$129,614.22	\$1,684,984.83	12	\$1,555,370.61
16	16 PIN Pinnacle	1.0	0.01%	\$192,411.00	\$149,779.51	\$186,010.08	\$2,418,130.98	13	\$2,418,130.98
Grand Total		6,636.4	34.56%	\$694,499.54	\$327,449.68	\$467,035.63	\$6,071,463.19	86,271	\$55,310,621.26

Market USA
2013 or Pre2013 Pre2013
New Status Affiliate

Rank	RankDescr	Avg Earnings Paid Per 4wk	% of 4wk Earners	4wk High	4wk Low	Avg Earnings per 4wk	Annualized Avg Earnings	Times Achieved per Year	Total Earnings for the Year
1	01 M Member	505.6	4.06%	\$18,573.61	\$2.00	\$73.17	\$951.22	6,573	\$480,949.32
2	02 BRZ Bronze Leader	1,904.9	15.29%	\$19,043.83	\$20.00	\$86.74	\$1,127.60	24,764	\$2,147,985.56
3	03 SIL Silver Leader	607.9	4.88%	\$5,358.52	\$100.00	\$222.30	\$2,889.89	7,903	\$1,756,828.40
4	04 GLD Gold Leader	446.8	3.59%	\$5,510.00	\$200.00	\$416.09	\$5,409.18	5,809	\$2,417,072.38
5	05 DIA Diamond Leader	338.7	2.72%	\$6,010.00	\$400.00	\$879.63	\$11,435.23	4,403	\$3,873,025.44
6	06 PLT Platinum Leader	96.2	0.77%	\$46,917.20	\$950.00	\$2,399.24	\$31,190.12	1,251	\$3,001,449.07
7	07 SPL Star Platinum	48.9	0.39%	\$12,314.00	\$1,443.00	\$2,476.77	\$32,198.03	636	\$1,575,226.59
8	08 EXE Executive	65.2	0.52%	\$12,782.00	\$1,975.00	\$3,356.43	\$43,633.55	847	\$2,842,893.72
9	09 STE Star Executive	29.4	0.24%	\$7,679.40	\$3,363.00	\$4,991.40	\$64,888.24	382	\$1,906,715.83
10	10 PRE Presidential	25.0	0.20%	\$14,064.20	\$4,500.00	\$7,091.33	\$92,187.33	325	\$2,304,683.22
11	11 SPR Star Presidential	13.3	0.11%	\$15,761.00	\$6,805.00	\$10,255.78	\$133,325.09	173	\$1,774,249.28
12	12 AMB Ambassador	15.0	0.12%	\$24,641.81	\$9,209.25	\$14,900.29	\$193,703.80	195	\$2,905,557.02
13	13 SAM Star Ambassador	7.8	0.06%	\$53,148.00	\$18,290.00	\$30,693.39	\$399,014.01	101	\$3,100,031.96
14	14 RAM Royal Ambassador	7.0	0.06%	\$122,997.20	\$75,797.53	\$985,367.89	\$1,684,984.83	91	\$6,897,575.24
15	15 SRL Star Royal	0.9	0.01%	\$135,528.20	\$97,868.47	\$129,614.22	\$1,684,984.83	12	\$1,555,370.61
16	16 PIN Pinnacle	1.0	0.01%	\$192,411.00	\$149,779.51	\$186,010.08	\$2,418,130.98	13	\$2,418,130.98
Grand Total		4,113.6	33.03%	\$692,739.97	\$327,625.23	\$469,264.38	\$6,100,436.98	53,478	\$40,957,744.82

Market Canada
2013 or Pre2013 Pre2013
New Status Affiliate

Rank	Rank/Descr	Avg Earnings Paid Per 4wk	% of 4wk Earners	4wk High	4wk Low	Avg Earnings per 4wk	Annualized Avg Earnings	Times Achieved per Year	Total Earnings for the Year
1	01 M Member	31.4	3.13%	\$600.00	\$2.00	\$74.49	\$968.38	408	\$30,392.36
2	02 BRZ Bronze Leader	131.8	13.14%	\$1,015.11	\$20.00	\$68.11	\$885.47	1,713	\$116,678.33
3	03 SIL Silver Leader	45.3	4.51%	\$887.42	\$100.00	\$214.62	\$2,790.08	589	\$126,412.22
4	04 GLD Gold Leader	34.0	3.39%	\$1,736.51	\$200.00	\$418.66	\$5,442.54	442	\$185,046.22
5	05 DIA Diamond Leader	25.2	2.51%	\$2,425.80	\$400.00	\$856.39	\$11,133.05	328	\$280,895.30
6	06 PLT Platinum Leader	4.8	0.48%	\$2,282.54	\$993.00	\$1,549.68	\$20,145.86	63	\$97,629.94
7	07 SPL Star Platinum	4.1	0.41%	\$3,538.11	\$1,480.00	\$2,203.25	\$28,642.20	53	\$116,772.06
8	08 EXE Executive	4.4	0.44%	\$4,961.48	\$2,040.00	\$3,391.63	\$44,091.22	57	\$193,323.06
9	09 STE Star Executive	2.4	0.24%	\$6,670.00	\$3,700.00	\$5,134.95	\$66,754.37	31	\$159,183.49
10	10 PRE Presidential	1.9	0.19%	\$8,712.00	\$4,915.00	\$6,960.63	\$90,488.21	25	\$174,015.79
11	11 SPR Star Presidential	0.3	0.03%	\$12,476.01	\$9,298.00	\$10,463.63	\$136,027.16	4	\$41,854.51
12	12 AMB Ambassador	1.8	0.18%	\$23,688.71	\$9,557.30	\$15,881.09	\$206,454.12	23	\$365,264.98
Grand Total		287.4	28.65%	\$68,993.68	\$32,705.30	\$47,217.13	\$613,822.66	3,736	\$1,887,468.25

319.01 – 2013 INCOME DISCLOSURE STATEMENT

App v Cust Counts

Affiliates	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa	2,225							2,225
Asia	4,233	1					1	4,235
Aus	1,143							1,143
Canada	5,626				1		6	5,633
Carib	75							75
Europe	18,893	13				13	1	18,920
Iceland	115							115
India	7,755							7,755
Japan	38							38
Mexico	2,568						1	2,569
SoAmer	358							358
USA	61,999	2	48	3	44	2	87	62,185
Grand Total	105,028	3	61	3	58	2	96	105,251

Current Status	Description
M	Brand Partner (Affiliate)
N	House Account (Affiliate)
P	Customer (used for Customer Loyalty Program)
Q	Grandfathered Customer
S	Suspended
U	Preferred Customer
V	Suspended by Compliance
Statuses excluded from these counts	
D	Duplicate or Test
I	Placeholder
R	Resigned
T	Terminated
W	Employee

Customers	Current Status	N	P	Q	S	U	V	Grand Total
Market	M							
Africa	8,885		13			2		8,900
Asia	12,391		603			10	1	13,005
Aus	1,759		592			3		2,354
Canada	7,639		6,363			86	19	14,107
Carib	126		13			7		146
Europe	26,327		22,746		15	689		49,777
Iceland	168		261			8		437
India	6,522		18					6,540
Japan	43		20			2		65
Mexico	2,689		2					2,691
SoAmer	400							400
USA	82,482	4	63,239	102	79	1,892	168	147,966
Grand Total	149,431	4	93,870	102	94	2,699	188	246,388

Combined Market	Current Status M	N	P	Q	S	U	V	Grand Total
Africa	11,110	13				2		11,125
Asia	16,624	1	603			10	2	17,240
Aus	2,902	592				3		3,497
Canada	13,265	6,363			1	86	25	19,740
Carib	201	13				7		221
Europe	45,220	22,759		28	689	1		68,697
Iceland	283	261				8		552
India	14,277	18						14,295
Japan	81	20				2		103
Mexico	5,257	2					1	5,260
SoAmer	758							758
USA	144,481	6	63,287	105	123	1,894	255	210,151
Grand Total	254,459	7	93,931	105	152	2,701	284	351,639