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STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

LLR, Inc.; LLR LULRAROE, Inc.;
LENNON LEASING, LLC; MARK A.
STIDHAM; DEANNE S. BRADY a/k/a
DEANNE STIDHAM; AND JORDAN K.
BRADY,

Defendants.

NO. 19-2-02325-2 SEA

DECLARATION OF DARCI WHITE

I, DARCI WHITE, declare as follows:

1. I make this declaration based on my personal knowledge of the matters set forth herein and, if called upon to testify, I could and would testify competently thereto. My knowledge is based upon my direct personal involvement with LLR, Inc., a Wyoming Corporation, doing business as LLR LuLaRoe, Inc ("LuLaRoe").

2. I currently live in Portland, Oregon. From 2015 to 2019, I lived in Issaquah, Washington. From approximately January 2017 to December 2017, I was an Independent Fashion Retailer ("IFR") with LuLaRoe, and as such purchased products from LuLaRoe at wholesale, and sold them to end consumers at retail.

3. My retailer ID is [REDACTED].

4. I currently work as a homemaker.

1 5. I first learned about LuLaRoe in early 2016 via social media. I was invited to an
2 online pop-up party from an acquaintance who was hosting for another IFR. I became interested
3 in the product and began shopping with several IFRs but mostly with Katie Harbison because I
4 was drawn to her personality. I also knew of Angelina DeFiori, another IFR, through mutual
5 friends in my community.

6 6. I then noticed the craze on many IFR's Facebook groups for LuLaRoe products
7 and began asking questions regarding the business opportunity to Katie, Angelina, and a few
8 other IFRs I had done business with. I eventually chose Katie Harbison as my Sponsor.

9 7. I also searched the Better Business Bureau (BBB) for reviews of LuLaRoe in the
10 fall of 2016, but I found no negative comments.

11 8. I also viewed the LuLaRoe website for more information about the business
12 opportunity.

13 9. I was told by both Katie and Angelina it was approximately \$5,000 for the initial
14 package plus any add-ons of inventory. Both also stated I should estimate another \$1,000-2,000
15 for hangers and racks and other supplies. I was not given a specific range for an income potential,
16 but would hear other IFRs talk about it during their YouTube clips. I recall an IFR saying, "I
17 made \$20,000 a month in bonuses." The common theme from the videos and my Sponsor was
18 "everything sells."

19 10. Based on what I was seeing and hearing I estimated I would need to put in 30-40
20 hours a week to be successful, but do I recall hearing the phrase "Part-time work Full-Time pay"
21 in association with LuLaRoe.

22 11. Based on the information I received about LuLaRoe, my expectation of income
23 was to net at least \$3,000 a month working 30-40 hours a week retailing merchandise. When I
24 first joined LuLaRoe, I had no intention of building a team.

25 12. I was strictly interested in online sales. I had two young boys and was not
26 interested in selling locally or conducting pop-up sales.

1 13. I used an existing no interest credit card to fund my business and continued to use
2 that card only for LuLaRoe.

3 14. I cannot recall my exact initial purchase amount but do recall ordering about
4 \$8,800 of inventory in January 2017, the first month I participated in LuLaRoe. This total
5 included my initial purchase and one or two additional orders that month. I was told by Katie
6 and my upline that first impressions were important so I wanted to launch with a strong presence
7 and inventory. In addition to my initial purchase of clothing, I also spent about \$1,500 in racks,
8 hangers, shipping material and other miscellaneous marketing materials.

9 15. I forwarded my initial inventory package purchase order confirmation which I
10 placed on January 6, 2017, the day I on-boarded, to the Office of the Attorney General. A true
11 and correct copy of that email has been produced as WA-AG-009734 and is attached to this
12 declaration as Exhibit A.

13 16. As part of my starter kit from LuLaRoe, I received a box of promotional
14 materials. I believe there was a spiral printed binder, a trifold flyer with LuLaRoe etiquette, and
15 thank you postcards to hand out. I do not remember what they said because I had no intention of
16 selling locally so I would have never needed to display them.

17 17. I was not given any official training from LuLaRoe about retailing or for new
18 hires. I recall my Sponsor walking me through how to use the website and the phone application.
19 I recall the weekly calls providing motivation and not actual training on how to sell clothing or
20 how to run a successful retail business. I attended the Vision 2017 convention but felt it was a
21 dog and pony show, intended to create hype about LuLaRoe. I don't recall trainings or
22 presentation on anything of substance about how to sell clothing.

23 18. LuLaRoe emphasized building a team, and doing so was incentivized by the
24 Leadership Bonus Plan. I was aware that in addition to sales a considerable bonus could be made
25 for leading a team. I also knew that different leadership levels equaled different bonus
26 percentages, if I moved up the ranks my bonus would grow.

1 19. I eventually grew a team of five IFRs, four of whom were my direct recruits and
2 one was a recruit of my recruit. I recall one IFR on my team, Nicole Carasan Bendickson was
3 simply handed to me and placed on my team by my upline. It seems Nicole approached Katie
4 Harbison regarding joining LuLaRoe, but Katie put Nicole in my team. I believe Katie did that
5 because the numbers worked out more beneficial to her with Nicole on my team under the
6 Leadership Bonus Plan. My understanding is Nicole is no longer with LuLaRoe.

7 20. As a result of my team I earned \$2,370 in bonuses which I think was mostly
8 generated from their initial sign up purchases. By the time my team was in a position to place
9 additional orders or grow, LuLaRoe changed its Leadership Bonus Program.

10 21. During the weekly Home Office update calls there was an emphasis to use social
11 media to expand our customer base and to place a positive light on LuLaRoe and how the
12 LuLaRoe business was changing our lives for the better. It was part of the LuLaRoe culture to
13 take photos of expensive things or make lifestyle claims as a method to increase interest. I admit
14 to having participated in posting photos to make lifestyle claims in an effort to recruit.

15 22. I recall on opening launch day, I sold 40 garments. I also sold approximately
16 \$5,000 of merchandise within my first week. My sponsor encouraged me to immediately reinvest
17 and buy 80 new pieces so my future profits would be even larger. Based on the results of my
18 launch that sounded like a great idea. For the next few months I placed large orders and my sales
19 were good.

20 23. Deanne Stidham (Deanne) often emphasized in weekly update meetings for IFRs
21 that not taking a profit and always growing your inventory was integral to success. At times the
22 message was not as direct as putting every penny back into buying more inventory, I recall
23 LuLaRoe emphasizing things like "you can't sell what you don't have" and "a sweet spot of
24 inventory is necessary to be successful." I don't recall the exact amount of inventory they told
25 us was the "sweet spot," but the emphasis was that carrying a lot of inventory would ensure your
26

1 success as an IFR. Deanne often said things like, "remember to place orders weekly" and "keep
2 your inventory fresh and interesting." I recall other successful IFRs repeating those messages.

3 24. I also recall hearing, "successful IFRs should carry a minimum of 10 pieces in
4 each size and style" both from my upline and Deanne. It was LuLaRoe's culture to talk about
5 how big your inventory was in a positive light. IFRs often talked about how many pieces of
6 inventory they had to show how successful they were and so that those of us aspiring for success
7 could see large inventories equal success. I recall Stacey Kristina, the top Mentor in my up line
8 to occasionally host live conferences on her Facebook page
9 (<https://www.facebook.com/lularoestacykristina>), would talk about how much inventory she had
10 and how successful she was. I understood the discussion of large inventories as an implied
11 suggestion that success requires a large inventory.

12 25. As I trusted LuLaRoe and my upline to provide me the information and training
13 needed to succeed with LuLaRoe, I followed their advice and reinvested a significant portion of
14 my profits back into inventory. It was my understanding that Mentors had a responsibility to
15 communicate messages from Home Office to their downlines. If I had a question, I would ask
16 my Sponsor first. Then if she didn't know she would raise it to her upline and eventually to the
17 Mentor, who would then pose the question to Home Office. The Mentor would then
18 communicate the answer from Home Office back down to their teams. Hence, I believed
19 everything that Mentors relayed to us was condoned communications from Home Office

20 26. As an IFR, I purchased about \$34,000 of wholesale inventory from LuLaRoe
21 directly. I also purchased some garments from other active IFRs who had gone out of business.
22 I estimate of my total inventory 90 percent was purchased directly from LuLaRoe and the
23 remaining 10 percent or an additional \$3,400 wholesale from other sources. I estimate I had
24 \$54,000 in retail sales throughout my time with LuLaRoe. I processed likely 99 percent of my
25 transactions through Bless because it was the easiest and most effective method for book keeping
26 purposes.

1 27. The Leadership Bonus required leaders to achieve certain quotas to meet the
2 requirements. I believe we had a monthly group volume order purchase requirement.
3 Additionally, after the Leadership Bonus Plan changed in the summer of 2017, as leaders we
4 also had to meet a small sales quota to receive our bonuses, and as such it would not have made
5 sense to process transactions outside of Bless.

6 28. Although we were strongly encouraged to process our sales using Bless,
7 LuLaRoe did not require IFRs to affirm selling any portion of our inventory, or report sales of
8 our inventory. On the contrary, once they sold it to us, they never asked what we did with it. We
9 were never required to provide an inventory, or maintain sales records for auditing purposes. I
10 do not recall any instance in which LuLaRoe asked me to provide verification of retail sales or
11 asked me to keep retail receipts for an audit.

12 29. My goal was to become a Trainer until they changed the bonus structure. I recall
13 my biggest bonus check to be about \$1,000. Just as I began to experience the additional income
14 as a result of being a sponsor the bonus plan changed. I did not participate in the cruise or other
15 incentive programs as they were beyond my reach. I was never able to sell enough to qualify.

16 30. It was my understanding that LuLaRoe changed the bonus structure to prevent
17 IFRs from inflating their success in an effort to recruit downlines. I recall Mark stating that the
18 new bonus structure would allow team leaders to serve their downlines better or be more
19 effective leaders. To me, this meant that the bonus structure would change to no longer
20 incentivize recruiting and encouraging your downline to order more inventory to meet the group
21 volume wholesale order requirement.

22 31. Additionally, I recall hearing that LuLaRoe was involved in a class action lawsuit
23 initiated because existing IFRs were giving false income claims to their potential recruits. I think
24 LuLaRoe was encouraging this behavior behind closed doors. I also believe the Mentors and
25 Coaches got these instructions in person or during their "secret meetings" and "luxurious trips."
26

1 32. I completely lost faith in LuLaRoe during the 2017 Vision Conference. I sensed
2 that LuLaRoe was not being managed well. I had a big "Aha!" moment when they brought Katie
3 Perry and other motivational speakers to the conference yet they didn't have enough food for the
4 IFRs and offered absolutely no concrete training on things like how to keep accurate records and
5 how to nail an effective Facebook live sale. Rather their "trainings" seem geared at pushing the
6 message that buying more and carrying a large inventory would lead to success. I spent nearly
7 \$1,500 in hotel and transportation costs to attend a conference that was mostly hype.

8 33. During that time I realized that over 25 percent of the inventory I received during
9 each shipment was not selling. I found the pile of unsalable inventory growing. I held off
10 initiating a Cancellation of Business because I knew the 90 percent cancellation policy stated an
11 IFR had a year to take advantage of that failsafe.

12 34. The policies at LuLaRoe were consistently changing, and all the information
13 would get trickled down and shared in LuLaRoe Facebook groups via high level leaders or
14 Mentors. No one really knew what was coming from where, or what was true. I also noticed
15 LuLaRoe was involved in many lawsuits. The Defective admins from the LuLaRoe Defective
16 group were constantly on LuLaRoe's tail exposing LuLaRoe's errors or falsehoods. Often it
17 turned out that the accusations were true and justified.

18 35. In November 2017, LuLaRoe announced the launch of the NOIR line, which was
19 solid black inventory. The NOIR launch, a launch of particularly desirable black leggings, was
20 disastrous from my perspective. I advertised it heavily to our customers and relied on it to help
21 boost our business since it was basic black and could be paired with some of the undesirable
22 prints. But LuLaRoe sold out of this line almost immediately, and then only a handful of IFRs
23 were able to buy it. Then the select few who were able to buy it were posting pictures on
24 Facebook pages of their bundles of black inventory. It seemed to me that some of the top Mentors
25 were able to buy hundreds while the thousands of IFRs got nothing after waiting on the phone
26 for hours.

1 36. LuLaRoe sent an email on November 15, 2017, regarding the NOIR launch. I
2 forwarded this email to the Office of the Attorney General. A true and correct copy of this email
3 has been produced as WA-AG-009746 and is attached to this declaration as Exhibit B.

4 37. I received an email invitation on November 16, 2017, to listen to a CEO Update
5 and Recap on NOIR, which was hosted by CEO Mark Stidham. I forwarded this email to the
6 Office of the Attorney General. A copy of this email has been produced as WA-AG-006225 and
7 is attached to this declaration as Exhibit C. During this call, Mark apologized for what happened
8 but claimed that LuLaRoe didn't know what was going to happen.

9 38. I do not believe that LuLaRoe could not have known. I felt Mark's apology that
10 came out for the unfairness of the NOIR launch was insufficient for those who were relying on
11 it to help boost their business.

12 39. After the horribly failed NOIR launch, I had conversations with my Sponsor
13 regarding the ethics of the company. My Sponsor agreed that there may be issues but neither of
14 us had the power to change it. I was angry that it appeared that LuLaRoe was not treating all the
15 IFRs equally.

16 40. Over and over it was emphasized by my upline that LuLaRoe's Cancellation of
17 Business policy, allowed an IFR to return any unsold inventory purchased within a year for a 90
18 percent refund. No one bothered to mention that capsules and special launches, which were
19 themed clothing could not be returned. Nor was I told that swapped items could not be returned.
20 Despite their written policy, I learned from other IFRs in Facebook groups that it appeared LLR
21 was not honoring the policy in a timely and fair fashion. I saw posts of women who stated
22 LuLaRoe had applied a calculation of sales against returns, and others who stated they were
23 shorted but not told why.

24 41. I had begun to diminish my purchases after Vision 2017 and decided to off-load
25 as much of my inventory as possible by discounting up to 50 percent off retail. I was willing to
26 sell the garments at cost because I did not trust that I would get a refund if I sent the merchandise

1 back to LuLaRoe. Only after I exhausted my sell off method and was approaching the one year
2 mark of joining did I initiate a formal resignation.

3 42. I decided to leave LuLaRoe within a year of joining. I calculated I was owed
4 \$5,151.80 at 90 percent. I started the resignation process on December 11, 2017 and completed
5 my form stacks on December 13, 2017. I sent both of these emails to the Office of the Attorney
6 General. A true and correct copy of the December 11, 2017 email has been produced as WA-
7 AG-007421 and is attached to this declaration as Exhibit D. A true and correct copy of the
8 December 13, 2017 email has been produced as WA-AG-007423 and is attached to this
9 declaration as Exhibit E.

10 43. On December 15, 2017, LuLaRoe responded with an "up-to" offer of \$5,152.29.
11 I forwarded this email to the Office of the Attorney General. A true and correct copy of this
12 email has been produced as WA-AG-009751 and is attached to this declaration as Exhibit F.

13 44. I shipped out my merchandise on December 18, 2017, and they were received by
14 LuLaRoe on December 22, 2017.

15 45. On January 15, 2018, I received an email confirming receipt of my merchandise.
16 I forwarded this email to the Office of the Attorney General. A true and correct copy of this
17 email has been produced as WA-AG-009749 is attached to this declaration as Exhibit G.

18 46. I also received a second email on January 15, 2018 indicating I would receive a
19 refund check of \$5,152.29 in two weeks. I forwarded this email to the Office of the Attorney
20 General. A true and correct copy of this email has been produced as WA-AG-009738 and is
21 attached to this declaration as Exhibit H.

22 47. I did not receive a check within two weeks.

23 48. I followed up March 2, 2018 by sending emails to several email boxes. I received
24 a response from Michael Brady (michael@LuLaRoe.com) on March 6, 2018, stating the January
25 15, 2018 email (Exhibit H) I received was an error, and they would process my return in order
26 and as soon as they could. I forwarded this email to the Office of the Attorney General. A true

1 and correct copy of this email has been produced as WA-AG007411 and is attached to this
2 declaration as Exhibit I.

3 49. When I continued to follow up, I received a bounce back email reply on March
4 23, 2018. I forwarded this email to the Office of the Attorney General, a true and correct copy
5 of which has been produced as WA-AG-005599 and is attached to this declaration as Exhibit J.

6 50. On April 3, 2018, after not receiving my refund, I filed a complaint with the
7 California Attorney General's Office. Eventually, LuLaRoe did respond to my complaint. Their
8 General Counsel responded to Ms. Salyphone at the Public Inquiry Unit (PIU) of the California
9 Attorney General's Office noting that my "claim is in the system and is being processed in the
10 normal course of a business." I took a photograph of this response and sent it to the Office of the
11 Attorney General. A true and correct copy of this photograph has been produced as WA-AG-
12 005614 and is attached to this declaration as Exhibit K

13 51. I followed up with LuLaRoe by calling customer service and emailing the
14 cancellationstatus@LuLaRoe.com email on May 7, 2018.

15 52. On May 29, 2018, over five months after I initiated my cancellation, I received a
16 refund check in the amount of \$5,162.27, nearly four months after LuLaRoe received my boxes.
17 While the amount matched what they offered, it was an unreasonably long time to wait. I am
18 disappointed that LuLaRoe did not handle the refund for unsold merchandise in a fair fashion.
19 When I joined LuLaRoe I anticipated that if I left and returned my garments I would have
20 received a check in 30 days. When I got the confirmation email in January that I would receive
21 my checks in two weeks, I depended on it.

22 53. I was harmed by the delay in refunds because I had a balance on my credit card
23 of which I was paying interest and I could have used the money to pay off the debt.

24 54. I feel deceived by the contractual language regarding the Cancellation of Refund
25 Policy. It did not indicate I would receive a refund at 90 percent five months later, while I
26 continued to pay interest on the debt that I took out to finance my investment in LuLaRoe.

55. Additionally LuLaRoe also falsely advertised the ease of this business opportunity, implying that it could be done as a part-time job. When I initially started I was working 30-40 hours a week for at least the first 6 months. If I could have sold everything for double the purchase price as they stated, I would have had over \$70,000 in retail sales, but instead my retail sales only exceeded my wholesale purchases by \$20,000. Unlike what LuLaRoe claimed, everything did not sell.

56. Unlike what they claimed, I do not believe the company had IFRs' interests at heart. Now that I've left LuLaRoe, and no longer am a part of it, I look back and believe that the company's sole interest was to make sure we were buying the merchandise from them.

57. I declare, under penalty of perjury under the laws of the State of Washington, that the foregoing is true and correct.

DATED this 30th day of June, 2020, at Portland, Oregon.

~~DARCI WHITE~~

Exhibit A

From: Darci White
Subject: Fwd: LuLaRoe Order Confirmation
To: Suner, Victoria (ATG)
Sent: May 14, 2020 8:31 PM (UTC+00:00)

----- Forwarded message -----

From: <noreply@lularoe.com>
Date: Fri, Jan 6, 2017 at 8:05 AM
Subject: LuLaRoe Order Confirmation
To: Darci White [REDACTED]

LuLaRoe Order Confirmation



Hello Hello!!

THANK YOU for shopping with us, your Order has been received!

We'll send a confirmation when your items ship.

SHIP TO

Darci White
25109 SE 158th St
Issaquah, WA 98027-8247

Order Details

Order No.: 18312186
Order Type: Customer Service
Shipping Method: Standard (5-7 Bus. Days After Shipped)
Customer ID: [REDACTED]
Customer Name: Darci White
Date: 1/6/2017 10:04:48 AM
Email: [REDACTED]
Phone: [REDACTED]
Created By: KarenL
Price Type: Wholesale

Payment Details

Payment Type:: \$4,925.75
 Payment Amount:: Bryce White
 Name on Account:: *****0008
 Card Number::

Bin	Quantity	ItemID	Description	Piece Count	Price	Total
	10	201-11	Irma - XXS	0.00	\$0.00	\$0.00
	10	201-12	Irma - XS	0.00	\$0.00	\$0.00
	10	201-13	Irma - S	0.00	\$0.00	\$0.00
	10	201-14	Irma - M	0.00	\$0.00	\$0.00
	10	201-15	Irma - L	0.00	\$0.00	\$0.00
	10	201-16	Irma - XL	0.00	\$0.00	\$0.00
	10	202-12	Classic T - XS	0.00	\$0.00	\$0.00
	10	202-13	Classic T - S	0.00	\$0.00	\$0.00
	10	202-14	Classic T - M	0.00	\$0.00	\$0.00
	10	202-15	Classic T - L	0.00	\$0.00	\$0.00
	10	202-16	Classic T - XL	0.00	\$0.00	\$0.00
	5	203-12	Randy - XS	0.00	\$0.00	\$0.00
	5	203-13	Randy - S	0.00	\$0.00	\$0.00
	5	203-14	Randy - M	0.00	\$0.00	\$0.00
	5	203-15	Randy - L	0.00	\$0.00	\$0.00
	5	203-16	Randy - XL	0.00	\$0.00	\$0.00
	10	206-13	Monroe - S	0.00	\$0.00	\$0.00
	10	206-15	Monroe - L	0.00	\$0.00	\$0.00
	5	207-13	Lindsay - S	0.00	\$0.00	\$0.00
	5	207-14	Lindsay - M	0.00	\$0.00	\$0.00
	5	207-15	Lindsay - L	0.00	\$0.00	\$0.00
	5	503-12	Cassie - XS	0.00	\$0.00	\$0.00
	10	503-13	Cassie - S	0.00	\$0.00	\$0.00
	10	503-14	Cassie - M	0.00	\$0.00	\$0.00
	10	503-15	Cassie - L	0.00	\$0.00	\$0.00

5	503-16	Cassie - XL	0.00	\$0.00	\$0.00
-1	5PctOff	Wholesale Discount	0.00	\$259.25	\$-259.25
5	803-11	Julia - XXS	0.00	\$0.00	\$0.00
5	803-12	Julia - XS	0.00	\$0.00	\$0.00
5	803-13	Julia - S	0.00	\$0.00	\$0.00
5	803-14	Julia - M	0.00	\$0.00	\$0.00
5	803-15	Julia - L	0.00	\$0.00	\$0.00
5	803-16	Julia - XL	0.00	\$0.00	\$0.00
10	807-12	Carly - XS	0.00	\$0.00	\$0.00
10	807-13	Carly - S	0.00	\$0.00	\$0.00
10	807-14	Carly - M	0.00	\$0.00	\$0.00
10	807-15	Carly - L	0.00	\$0.00	\$0.00
10	807-16	Carly - XL	0.00	\$0.00	\$0.00
1	903	Initial Order Pack #1	290.00	\$5,185.00	\$5,185.00
1	998-98	Starter Kit - Single	0.00	\$0.00	\$0.00

Subtotal: \$4,925.75

Shipping: \$0.00

Taxes: \$0.00

Total: \$4,925.75

Amount Paid: \$4,925.75

Total Pieces: \$290.00

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You are receiving this email because you are a LuLaRoe Consultant

Our mailing address is:

LuLaRoe
830 E Parkridge Ave
Corona, CA 92879

To unsubscribe from these emails, please [click here](#). Powered by [Exigo.com](#)

WA-AG-009736

You have agreed to receive emails from IP 73.19.23.139

Exhibit B

From: Darci White
Subject: Fwd: LuLaRoe - A letter from Mark and DeAnne regarding the Color Collection: Noir
To: Suner, Victoria (ATG)
Sent: May 14, 2020 8:36 PM (UTC+00:00)

----- Forwarded message -----

From: LuLaRoe <noreply@lularoe.com>
Date: Wed, Nov 15, 2017 at 9:09 PM
Subject: LuLaRoe - A letter from Mark and DeAnne regarding the Color Collection: Noir
To: [REDACTED]

A letter from Mark and DeAnne regarding the Color Collection: Noir



Dear friends,

As LuLaRoe has experienced incredible growth over the last four years, we have seen many opportunities and challenges. We have put systems and processes in place only to see them become obsolete, sometimes even before they were fully implemented.

Through all this growth and all the changes one thing has remained consistent, our commitment to creating an opportunity that is fair to everyone and a culture of service, community and love. We believe in creating a level playing field so that all Retailers will have a chance to grow their business. Through hard work, determination, education and self improvement, each of you have the

opportunity to define what your business and customer base looks like.

If you joined LuLaRoe to earn a few extra dollars or to find a community, or any other reason we applaud you for making the choices and doing the things that bring you happiness. We celebrate all those who have become creators in their own lives and who recognize that they have a choice in how they view and interact with the world.

At the same time, many of the top Retailers in this business were once looking at this business from the outside and trying to decide if it made sense for them and their family to join LuLaRoe and accept the challenges of owning their own business. They have achieved their success by accepting the responsibility that comes with entrepreneurship and they should also be applauded for their results.

LuLaRoe has achieved phenomenal success by selling comfortable, fun, affordable, fashionable and colorful clothing to Retailers who in turn continue to sell to millions of customers across the country. Our unique system of producing limited quantities of any one print has driven retail sales to over \$2.1 billion year to date. No single pattern, body style, color or print has ever defined the success or failure of a Retailer.

We recognize that some of you feel that the launch of the Noir Collection was unfair and that there was favoritism to some Retailers. That is simply not true. In our effort to be fair to all, we have developed a queue system that creates a virtual holding room where everyone in that room has an equal opportunity to move into the shopping cart. Once you are in the cart you may purchase product you believe is best for your business pending availability. If as a Retailer you sell a lot of product, it is "fair" for you to be able to buy a lot.

We recognize that no system is perfect and we will continue to look for ways to launch products in a way that responds to each of your needs.

In the meantime, we invite you to face the challenges and opportunities that every small business owner encounters with enthusiasm, humor, grace and determination. As you do so you will find joy in the journey and greater success in your business and your life.

Wishing you all the best,

Mark and DeAnne Stidham

CREATE. SERVE. STRENGTHEN. BLESS. DREAM



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LuLaRoe

Our mailing address is:

LuLaRoe

830 E Parkridge Ave, Corona, CA

Corona, CA 92879

[Add us to your address book](#)

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#).

Exhibit C

From: Darci White
Subject: Fwd: LuLaRoe - CEO Update and Recap on NOIR
To: Suner, Victoria (ATG); Suner, Victoria (ATG)
Sent: December 4, 2019 9:23 PM (UTC+00:00)

----- Forwarded message -----

From: LuLaRoe <noreply@lularoe.com>
Date: Thu, Nov 16, 2017 at 3:58 PM
Subject: LuLaRoe - CEO Update and Recap on NOIR
To: [REDACTED]

LuLaRoe - CEO Update and Recap on NOIR



Hello!

Tune in **Today at 4PM PST**, for a special webinar update and recap on the Color Collection: NOIR, hosted by LuLaRoe CEO - Mark Stidham. In just a few minutes, we will discuss the key learnings and takeaways from the latest LuLaRoe Collection launch and a chance to hear additional insights and direction! Click on the links below to tune in for today's webinar!

Youtube Link: <http://bit.ly/2A6pdn2>

ASL Interpreter Link: <http://bit.ly/2mvEcRe>

Thank you and see you there!

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LuLaRoe

Our mailing address is:
LuLaRoe
830 E Parkridge Ave, Corona, CA
Corona, CA 92879

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Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#).

Exhibit D

From: Darci White [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Formstack Link Needed

Date: 2020-04-23 15:56:56 -0700

Importance: Normal

----- Forwarded message -----

From: Cancellation Returns <cancellationreturns@lularoe.com>

Date: Mon, Dec 11, 2017 at 6:32 PM

Subject: Re: Formstack Link Needed

To: Darci White [REDACTED]

Hello Darci

We are confirming receipt of your Business Cancellation, and following-up for additional information that is needed to process your request.

We have made some system updates to improve the efficiency of the Return on Cancellation process. Those updates will help keep you informed through the steps of the return process.

You are receiving this notice because we need some additional information that will help account for your inventory at present. Please complete the return authorization request form by clicking [HERE](#).

Please have your Retailer ID and Current BUILD Email Address available to start this process.

Once you have entered this information from the Return Authorization Request screen, you will be asked to provide an accurate count of the inventory that you have purchased in the last 12 months and that meets the guidelines of product permitted for return as stated in Policy 3.16.3.

Once the form is completed and submitted, please allow time for our T.E.A.M. to evaluate your request. You will be notified by email after we have reviewed your information and will be advised on next steps to complete the process.

If you need to verify your inventory on hand against what you have ordered and is in compliance with the Policy and Procedures, please follow the steps below to review your order history in [BUILD](#).

Steps to review your inventory purchase history:

1. Go to build.mylularoe.com
2. Input your username and password
3. Go to MY ORDERS

We again thank you for your patience. We will communicate with you throughout the updated process.

In order to provide the most efficient service possible, this message has been delivered to those currently in the Return On Cancellation process.

If you have received this message in error and are not cancelling your business, please send an email to notcancelling@lularoe.com and indicate as such. Thank you

--
cancellationreturns@lularoe.com

On Mon, Dec 11, 2017 at 6:31 PM PST, Darci White [REDACTED] wrote:
Hello - please forward the formstack link needed to start the inventory return process.

Thank you,
Darci White
[REDACTED]

Exhibit E

From: Darci White
Subject: Fwd: Returns Form Draft Saved
To: Suner, Victoria (ATG)
Sent: April 23, 2020 10:57 PM (UTC+00:00)

----- Forwarded message -----

From: **LuLaRoe Home** <lularoehome@lularoe.com>
Date: Wed, Dec 13, 2017 at 9:27 AM
Subject: Returns Form Draft Saved
To: [REDACTED]



HELLO! HELLO!
THANK YOU FOR ALL YOU DO!

Hello Darci

You have successfully saved a draft of your return request. Your case number is [REDACTED] and will be available for further edit at returns.lularoehome.com for the next 48 hrs.

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Exhibit F

From: Darci White
Subject: Fwd: Returns Form Accepted
To: Suner, Victoria (ATG)
Sent: May 14, 2020 8:38 PM (UTC+00:00)

----- Forwarded message -----

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: Fri, Dec 15, 2017 at 7:57 AM
Subject: Returns Form Accepted
To: [REDACTED]



HELLO! HELLO!
THANK YOU FOR ALL YOU DO!

Hello Darci

Thank you for your patience as we work through the proper steps in the cancellation of your business. We have completed a review of your orders from the last 12 months, your sales and your compensation reports. Based upon this review, you may qualify for a refund of up to \$5,152.29. Below is a description of how this number has been calculated.

Maximum return amount: Up to \$5,152.29

Return Upon Cancellation of Business Reminders:

1. Only product purchased by consultant from LLR
2. Only products in Resalable condition purchased within the last year (i.e. product is unworn, unwashed, folded, with original hang tags and packaging) that can be sold at full wholesale price
3. Only product purchased in the past year

4. Products will be reimbursed 90% of original purchase price
5. Shipping and handling paid by consultant
6. Bonuses paid during the past year and through July 2017, may be deducted from amount owed

Please click here to fill out the Tracking and Return Authorization number submission form and enter your Case # is [REDACTED].

Your RA # is [REDACTED]. **This must be written clearly on all boxes and is required before you can submit your forms for return authorization.** You will also need to provide the tracking number of your boxes in the return request form. **You must also clearly label the outside of each box with the number of that box in the series, e.g. if you are sending three boxes each box needs to be label as such, box 1 of 3, box 2 of 3 and box 3 of 3.**

YOU MUST FOLLOW STEPS 1, 2 AND 3 BELOW OR YOUR BOXES WILL BE REJECTED AT THE DOCK AND RETURNED TO SENDER.

1. RA number listed clearly listed on the outside of each box
2. Number of pieces in the box must be clearly stated on outside of the box
3. Boxes clearly numbered in sequence

4. Mail to
LuLaRoe
11618 Mulberry Ave
Fontana, CA 92337

"Upon the cancellation of an Independent Fashion Retailer's Agreement, the Independent Fashion Retailer may return products and sales aids for a refund. In order to receive a refund from LLR pursuant to this policy, the following requirements must be met:

The items being returned must have been personally purchased by the Independent Fashion Retailer from LLR (purchases from other Independent Fashion Retailers or third parties are not subject to refund);

The items must be in Resalable condition (see Definition of "Resalable" below); and

The items must have been purchased from LLR within one year prior to the date of cancellation.

Upon receipt of the Resalable products and sales aids, the Independent

Fashion Retailer will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Retailer when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Retailer was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Retailer based on that product purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unworn, unwashed, folded with hang tags and in original packaging*; 2) packaging and labeling has not been altered or damaged*; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to LLR within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be Resalable. Items that are returned that are not Resalable will be donated to a charity selected by LuLaRoe and no refund or exchange will be issued.

"

*WE WILL WAIVE THE ORIGINAL PACKAGING REQUIREMENT IF THE PRODUCT WAS REMOVED FROM ITS PACKAGING TO BE PRESENTED FOR SALE. THE PRODUCT MUST STILL RETAIN ORIGINAL HANG TAGS. IF THE ORIGINAL HANG TAG HAS MARKINGS OR STICKERS, BUT THE PRODUCT REMAINS IN RESALEABLE CONDITION WE WILL ALSO WAIVE THE REQUIREMENT FOR THE LABELING TO BE UNALTERED.

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Exhibit G

From: Darci White
Subject: Fwd: Return Received in Warehouse
To: Suner, Victoria (ATG)
Sent: May 14, 2020 8:37 PM (UTC+00:00)

----- Forwarded message -----

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: Mon, Jan 15, 2018 at 7:48 AM
Subject: Return Received in Warehouse
To: [REDACTED]



HELLO! HELLO!
THANK YOU FOR ALL YOU DO!

Hello Hello Darci

We have received your shipment in our warehouse and our team will process the inventory in the order it was received.

Thank You,

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Exhibit H

From: Darci White
Subject: Fwd: Cancelled Return Pending Check Processing
To: Suner, Victoria (ATG)
Sent: May 14, 2020 8:32 PM (UTC+00:00)

----- Forwarded message -----

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: Mon, Jan 15, 2018 at 12:30 PM
Subject: Cancelled Return Pending Check Processing
To: [REDACTED]



HELLO! HELLO!
THANK YOU FOR ALL YOU DO!

Hello Darci,

Thank you for your continued patience as we work through the proper steps in the cancellation of your business. We have inspected all the items you returned and can confirm you are eligible for a total refund of \$5152.29. We have submitted a request to Accounting to mail you a check within the next two weeks.

Here is the breakdown of which item(s) were approved and which, if any, were denied:

Item #	Item Style	Item Size	Status
1	Amelia	XS	Approved
2	Amelia	S	Approved
3	Amelia	M	Approved
4	Amelia	L	Approved
5	Amelia	XL	Approved
6	Amelia	2XL	Approved

Item #	Item Style	Item Size	Status
7	Amelia	3XL	Approved
8	Madison	XS	Approved
9	Madison	S	Approved
10	Madison	M	Approved
11	Madison	L	Approved
12	Madison	XL	Approved
13	Madison	2XL	Approved
14	Madison	3XL	Approved
15	Joy	XS	Approved
16	Joy	S	Approved
17	Joy	M	Approved
18	Julia	XXS	Approved
19	Julia	S	Approved
20	Julia	XL	Approved
21	Sarah	XS	Approved
22	Scarlett	4	Approved
23	Scarlett	10	Approved
24	Disney Randy	XS	Approved
25	Disney Classic T	XS	Approved
26	Disney Classic T	S	Approved
27	Shirley	S	Approved
28	Shirley	M	Approved
29	Shirley	L	Approved
30	Lindsay	S	Approved
31	Lindsay	M	Approved
32	Classic T	XXS	Approved
33	Classic T	S	Approved
34	Classic T	M	Approved
35	Classic T	XS	Approved
36	Classic T	L	Approved
37	Classic T	XL	Approved

Item #	Item Style	Item Size	Status
38	Classic T	2XL	Approved
39	Classic T	3XL	Approved
40	Lynnae	XS	Approved
41	Randy	XS	Approved
42	Randy	S	Approved
43	Randy	M	Approved
44	Randy	L	Approved
45	Randy	XL	Approved
46	Randy	2XL	Approved
47	Disney Leggings (Single)	T/C	Approved
48	Irma	XXS	Approved
49	Irma	XS	Approved
50	Irma	S	Approved
51	Irma	M	Approved
52	Irma	L	Approved
53	Irma	XL	Approved
54	Irma	2XL	Approved
55	Perfect T	XXS	Approved
56	Perfect T	XS	Approved
57	Perfect T	S	Approved
58	Perfect T	M	Approved
59	Perfect T	L	Approved
60	Perfect T	2XL	Approved
61	Leggings (Single)	S/M	Approved
62	Leggings (Single)	T/C	Approved
63	Leggings (Single)	O/S	Approved
64	Cassie	XS	Approved
65	Cassie	S	Approved
66	Cassie	M	Approved
67	Cassie	L	Approved
68	Cassie	XL	Approved

Item #	Item Style	Item Size	Status
69	Cassie	2XL	Approved
70	Carly	XXS	Approved
71	Carly	XS	Approved
72	Carly	S	Approved
73	Carly	M	Approved
74	Carly	L	Approved
75	Carly	XL	Approved
76	Carly	2XL	Approved

Please let me know if you have any questions, and have a great LuLaRoe day!

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Exhibit I

From: Darci White
Subject: Fwd: Cancelled Return Pending Check Processing
To: Suner, Victoria (ATG)
Sent: April 23, 2020 10:51 PM (UTC+00:00)

----- Forwarded message -----

From: Michael Brady <michael@lularoe.com>
Date: Tue, Mar 6, 2018 at 2:20 PM
Subject: Re: Cancelled Return Pending Check Processing
To: Darci White [REDACTED]

Hello Darci,

I apologize for the miscommunication. The email you received was an error. Unfortunately I do not have time frame for you to expect your reimbursement check. The Cancellation in Accounting Team is working diligently to assist everyone who is cancelling business.

I apologize for the inconvenience and hope you have a great day!

On Mon, Mar 5, 2018 at 1:10 PM, Darci White [REDACTED] wrote:

----- Forwarded message -----

From: Darci White [REDACTED]
Date: Fri, Mar 2, 2018 at 8:59 AM
Subject: Fwd: Cancelled Return Pending Check Processing
To: checkinquiries@lularoe.com, consultantrefunds@lularoe.com

Good Morning,

My lawyer asked me to follow up on the refund owed. Below contracts a check due by 1/29/18. Please process immediately, and provide a mail tracking number for the check.

Kind regards,
Darci White
[REDACTED]

----- Forwarded message -----

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: Mon, Jan 15, 2018 at 12:30 PM
Subject: Cancelled Return Pending Check Processing
To: [REDACTED]



HELLO! HELLO! THANK YOU FOR ALL YOU DO!

Hello Darci,

Thank you for your continued patience as we work through the proper steps in the cancellation of your business. We have inspected all the items you returned and can confirm you are eligible for a total refund of \$5152.29. We have submitted a request to Accounting to mail you a check within the next two weeks.

Here is the breakdown of which item(s) were approved and which, if any, were denied:

Item #	Item Style	Item Size	Status
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2	Amelia	S	Approved
3	Amelia	M	Approved
4	Amelia	L	Approved
5	Amelia	XL	Approved
6	Amelia	2XL	Approved
7	Amelia	3XL	Approved
8	Madison	XS	Approved
9	Madison	S	Approved
10	Madison	M	Approved
11	Madison	L	Approved
12	Madison	XL	Approved
13	Madison	2XL	Approved
14	Madison	3XL	Approved

Item #	Item Style	Item Size	Status
15	Joy	XS	Approved
16	Joy	S	Approved
17	Joy	M	Approved
18	Julia	XXS	Approved
19	Julia	S	Approved
20	Julia	XL	Approved
21	Sarah	XS	Approved
22	Scarlett	4	Approved
23	Scarlett	10	Approved
24	Disney Randy	XS	Approved
25	Disney Classic T	XS	Approved
26	Disney Classic T	S	Approved
27	Shirley	S	Approved
28	Shirley	M	Approved
29	Shirley	L	Approved
30	Lindsay	S	Approved
31	Lindsay	M	Approved
32	Classic T	XXS	Approved
33	Classic T	S	Approved
34	Classic T	M	Approved
35	Classic T	XS	Approved
36	Classic T	L	Approved
37	Classic T	XL	Approved
38	Classic T	2XL	Approved
39	Classic T	3XL	Approved
40	Lynnae	XS	Approved
41	Randy	XS	Approved
42	Randy	S	Approved
43	Randy	M	Approved
44	Randy	L	Approved
45	Randy	XL	Approved

Item #	Item Style	Item Size	Status
46	Randy	2XL	Approved
47	Disney Leggings (Single)	T/C	Approved
48	Irma	XXS	Approved
49	Irma	XS	Approved
50	Irma	S	Approved
51	Irma	M	Approved
52	Irma	L	Approved
53	Irma	XL	Approved
54	Irma	2XL	Approved
55	Perfect T	XXS	Approved
56	Perfect T	XS	Approved
57	Perfect T	S	Approved
58	Perfect T	M	Approved
59	Perfect T	L	Approved
60	Perfect T	2XL	Approved
61	Leggings (Single)	S/M	Approved
62	Leggings (Single)	T/C	Approved
63	Leggings (Single)	O/S	Approved
64	Cassie	XS	Approved
65	Cassie	S	Approved
66	Cassie	M	Approved
67	Cassie	L	Approved
68	Cassie	XL	Approved
69	Cassie	2XL	Approved
70	Carly	XXS	Approved
71	Carly	XS	Approved
72	Carly	S	Approved
73	Carly	M	Approved
74	Carly	L	Approved
75	Carly	XL	Approved
76	Carly	2XL	Approved

Please let me know if you have any questions, and have a great LuLaRoe day!

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--

Michael Brady
Treasury Manager
951-432-9438 (C)
951-808-3241 (O)

Exhibit J

From: Darci White
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Fwd: Cancelled Return Pending Check Processing
Date: Tuesday, May 22, 2018 2:29:35 PM

Bounce back email reply, when attempting to receive an update about my refund.

Darci

----- Forwarded message -----

From: **Cancellation Returns** <cancellationreturns@lularoe.com>
Date: Fri, Mar 23, 2018 at 7:40 AM
Subject: Re: Fwd: Cancelled Return Pending Check Processing
To: Darci White [REDACTED]
Cc: cancellationstatus@lularoe.com, cancellationverification@lularoe.com,
cancellationworkflow@lularoe.com, consultantrefund@lularoe.com, returns@lularoe.com,
cancellationquestions@lularoe.com

Hello Darci

We are confirming receipt of your Business Cancellation, and following-up for additional information that is needed to process your request.

We have made some system updates to improve the efficiency of the Return on Cancellation process. Those updates will help keep you informed through the steps of the return process.

You are receiving this notice because we need some additional information that will help account for your inventory at present. Please complete the return authorization request form by clicking [HERE](#).

Please have your Retailer ID and Current BUILD Email Address available to start this process.

Once you have entered this information from the Return Authorization Request screen, you will be asked to provide an accurate count of the inventory that you have purchased in the last 12 months and that meets the guidelines of product permitted for return as stated in Policy 3.16.3.

Once the form is completed and submitted, please allow time for our T.E.A.M. to evaluate your request. You will be notified by email after we have reviewed your information and will be advised on next steps to complete the process.

If you need to verify your inventory on hand against what you have ordered and is in compliance with the Policy and Procedures, please follow the steps below to review your order history in [BUILD](#).

Steps to review your inventory purchase history:

1. Go to
build.mylularoe.com
2. Input your username and password
3. Go to MY ORDERS

We again thank you for your patience. We will communicate with you throughout the updated process.

In order to provide the most efficient service possible, this message has been delivered to those currently in the Return On Cancellation process.

If you have received this message in error and are not cancelling your business, please send an email to notcancelling@lularoe.com and indicate as such. Thank you

--

cancellationreturns@lularoe.com



Exhibit K

State of California
DEPARTMENT OF JUSTICE



INQUIRY UNIT

PIU

From: Shon McGinnis <smcginnis@lerner-mcdonald.com>
Sent: Monday, April 09, 2018 3:37 PM
To: PIU
Cc: waf@floratosloll.com; 'William Floratos'; ral@floratosloll.com; Robert Loll
Subject: CA AG COMPLAINT PIU: 785667 - DARCI WHITE

Kimberly Salyphone, good afternoon.

Please be apprised that this office is General Counsel for LuLaRoe, LLC and LLR, Inc. (collectively "LLR").

This email communication shall serve as LLR's Response to the above-referenced Complaint.

All requests for refund for return of apparel are processed in the order received in accordance with established guidelines and involves a very time consuming, multi-step inspection, verification and payment process.

Ms. White's claim is in the system and is being processed in the normal course of business.

Very truly yours,

Shon C. McGinnis, Paralegal
FLORATOS, LOLL & DEVINE
26023 Acero, Suite 100
Mission Viejo, California 92691
(714) 641-1222
(714) 641-1333 (Fax)
shon@lularoe.com



CONFIDENTIALITY NOTE: The information transmitted in this e-mail message is sent by an attorney or his/her agent, is intended to be confidential and for the use of only the individual or entity named above. If the recipient is a client, this message may also be sent for the purpose of rendering legal advice and shall be entitled to applicable privileges. This e-mail message is not intended to nor does it waive the attorney-client privilege. Any retention, dissemination, distribution or copy of this e-mail message by any person or entity, other than the recipient is strictly prohibited. If you have received this e-mail in error, please immediately notify us by reply e-mail and destroy the original e-mail message and any attachments without reading or saving in any manner. Thank you.

WA-AG-005614

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STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

LLR, Inc.; LLR LULRAROE, Inc.;
LENNON LEASING, LLC; MARK
A.STIDHAM; DEANNE S. BRADY
a/k/a DEANNE STIDHAM; AND
JORDAN K.BRADY,

Defendants.

NO. 19-2-02325-2 SEA

DECLARATION OF ALICE TALBOT

I, ALICE TALBOT, declare as follows:

1. I make this declaration based on my personal knowledge of the matters set forth herein and, if called upon to testify, I could and would testify competently thereto. My knowledge is based upon my direct personal involvement with LLR, Inc., a Wyoming Corporation, doing business as LLR LuLaRoe, Inc ("LuLaRoe").

2. I live in Mukilteo, Washington. From August 2016 to July 2017, I was an Independent Fashion Retailer ("retailer") with LuLaRoe, and as such purchased products from LuLaRoe at wholesale price, and sold them to end retail consumers. My retailer ID was [REDACTED].

3. I first heard of LuLaRoe in approximately June 2016, through a non-LuLaRoe Facebook group, where I saw a post regarding LuLaRoe leggings. I was curious so I searched the internet for the name LuLaRoe and was directed to the LuLaRoe website, www.lularoe.com.

1 On the website, I saw a map that allowed me to search for nearby retailers. I searched and found
2 4 to 5 retailers in towns neighboring Mukilteo. The map provided a link to those retailers. The
3 leggings were supposed to be buttery soft and I was curious to see what all the fuss was about.
4 So I attempted to contact all of the retailers listed on LuLaRoe's retailer map.

5 4. Krissy Miller was the first to respond. She offered to meet up at a nearby
6 Starbucks. During our first meeting, Krissy brought her laptop and in addition to telling me about
7 the leggings she began to actively recruit me to join LuLaRoe. She told me about the LuLaRoe
8 business opportunity. Using her laptop, she accessed the LuLaRoe point-of-sale system Audrey
9 and showed me her sales for each month which were in the neighborhood of \$10,000.

10 5. Krissy invited me to join her LuLaRoe Facebook page. After visiting her page, I
11 purchased some leggings from her. At some point, Krissy told me her average bonus checks
12 from LuLaRoe were around \$5,000 per month at that time. Krissy invited me to a "girls night
13 out" dinner she was having with other women who were interested in the group. During that
14 dinner Krissy introduced me to other women who had recently joined her team but not yet on
15 boarded. Krissy used the girls night out to tell us what was needed to prepare for the LuLaRoe
16 business, such as where to buy racks, hangers and other tips.

17 6. During that dinner I expressed interest but advised her I was not sure. Later Krissy
18 followed up and sent me an email regarding the LuLaRoe business opportunity. In that email
19 Krissy indicated she sold over \$19,000 of clothing in her second month as an IFR, with
20 approximately half as net profit. The email also explained that Krissy's LuLaRoe sponsor was
21 Lindsey Wheeler, and both women were part of a LuLaRoe team called "T.E.A.M. LuLa
22 Lovelies." Lindsey and a retailer named Ashleigh Lautaha ran T.E.A.M. LuLa Lovelies, which
23 consisted of the "downlines" of both women. The email explained to me that a LuLaRoe retailer
24 could earn a substantial salary while working only a few hours a day. I sent this email to the
25 Office of the Attorney General, and a true and correct copy has been produced as WA-AG-
26 006633, and is attached to this declaration as Exhibit A.

1 7. Before I committed to become a LuLaRoe retailer, I again looked at the map of
2 retailers on the LuLaRoe website. When I searched for retailers in Mukilteo, I only found one
3 retailer, and concluded that I would have little local competition.

4 8. I also looked at Lindsey Wheeler's and Ashleigh Lautaha's Instagram and
5 Facebook pages for more information. On those pages, I saw pictures of LuLaRoe bonus checks.
6 I also saw that they were doing a lot of business. Attached as Exhibit B are true and correct
7 copies of screenshots of a post on Ashleigh Lautaha's Instagram page, which have been produced
8 as WA-AG-005549. The first page depicts a photo of bonus checks. The second page depicts the
9 comment posted with the photo. Attached as Exhibit C is a true and correct copy of a screenshot
10 from Lindsey Wheeler's Instagram page, which has been produced as WA-AG-005561. I took
11 the screenshots in Exhibits B and C on or around November 17, 2017 and sent them to the Office
12 of the Attorney General.

13 9. Based on the comments from Krissy and what I found on Lindsey Wheeler's and
14 Ashleigh Lautaha's Instagram pages, I believed I could make a profit of \$3,000-4,000 a month
15 working part time.

16 10. I told Krissy I was interested in joining LuLaRoe. At the time, there was a waiting
17 list (called the "queue") to become a retailer. Those in the queue, waiting to place their initial
18 order as a retailer, were sometimes referred to as "Q'bs." When I decided to join, I was added to
19 a Facebook page for people waiting in the queue with sponsors on T.E.A.M. LuLa Lovelies.
20 That page included information regarding "opportunity" calls with LuLaRoe and links to weekly
21 webinars. I watched some of the weekly webinars, but did not participate in any of the
22 opportunity calls.

23 11. I became a LuLaRoe retailer in August 2016. To become a retailer, I made an
24 initial order of about \$6,900.00 of inventory, purchased at wholesale price. I financed this initial
25 order with a 6-month, no interest credit card. I placed several additional orders in the next several
26 weeks, in an effort to receive more variety in prints. In total, I spent \$15,000 on inventory in my

1 first two months as a retailer.

2 12. Along with my first shipment of inventory, I received a box of marketing
3 materials from LuLaRoe. The material included thank you postcards stating "Part Time Work /
4 Full Time Pay." I also received an 8x11 placard with this slogan. My understanding was that
5 these were to be used to recruit new retailers during in home pop-up sales.

6 13. The queue Facebook group for Q'bs listed items that were necessary to start your
7 business. These included things like clothes racks, hangers, office equipment, a printer, and bags
8 for clothes. So in addition to my initial purchase of \$15,000 in inventory, I purchased roughly
9 \$2,000 in supplies and equipment needed to start my business.

10 14. After that initial investment, there were additional ongoing costs that I paid to sell
11 LuLaRoe. For example, shipping materials and fees, small gifts and trinkets LLR encouraged us
12 to include with orders to our customers, credit card processing fees, CPA (accounting) costs,
13 taxes and licenses, Facebook advertising, weekly giveaways of LLR clothes, and fees to
14 participate in multi-consultant online sales groups which I did weekly. These costs averaged
15 between \$1,500 and \$3,000 a month.

16 15. While I was a LuLaRoe retailer, Krissy encouraged me to recruit others. She told
17 me to post pictures of myself spending money on things like American Girl dolls for my
18 daughters or vacations. I saw many retailers join during my time with LuLaRoe, and was
19 concerned with the competition that would be created by large numbers of new retailers joining.
20 Ultimately, I only sponsored two retailers, my cousin and a friend.

21 16. Once I became a retailer, I asked how to get on the retailer map on LuLaRoe's
22 website. I was in a Facebook group called "July Newbies" and believe I saw instructions in that
23 group regarding how to sign up to be included on the retailer map. I followed the instructions
24 several times, but was never put on the map.

25 17. Krissy also told me that to be successful I should maintain 800 to 1,200 pieces of
26 inventory. By the time I left LuLaRoe this recommendation had increased to around 1,800.

1 Lindsey Wheeler and Ashleigh Lautaha would encourage retailers on their team to buy inventory
2 by having drawings for prizes for retailers who ordered inventory at least 4 times per month.
3 Attached as Exhibit D is a true and correct copy of a screenshot of a post by Lindsey Wheeler
4 on the T.E.A.M. LuLa Lovelies Facebook group that refers to one of these drawings, which was
5 produced as WA-AG-005562. I took this screenshot on November 17, 2017 and provided it to
6 the Office of the Attorney General.

7 18. When ordering to build my inventory, I was encouraged to "go deep before going
8 wide," which was a common motto used by retailers. This meant that we should order a lot of
9 sizes within a specific style, rather than having a wide variety of styles to offer customers. I
10 primarily tracked my inventory by hand or used an excel spreadsheet since LLR did not offer a
11 way to track inventory. When ordering from LuLaRoe, there was no upper limit on the amount
12 I could order. I was not required to certify the size of my inventory or that I was selling my
13 inventory to customers when ordering, or at any other time when I was a retailer.

14 19. While I was a retailer, there were numerous issues with my orders from LuLaRoe.
15 My shipments would sometimes have missing inventory, with back order slips that did not
16 indicate when the merchandise would be shipped. Sometimes, inventory would be missing and
17 no back order slip would even be included. When I advised Krissy of these issues she told me to
18 put in a trouble ticket. During my time with LuLaRoe I placed nearly 20 trouble tickets regarding
19 back orders or missing items. The back order issues did not get resolved despite the trouble
20 tickets. I eventually contacted Krissy again and she asked that I make a list of all the issues and
21 she would give the list along with the lists from other women in our team to our Mentor Lindsey
22 Wheeler to resolve. I sent examples of emails discussing back orders and missing items to the
23 Office of the Attorney General and true and correct copies are attached to this declaration as
24 Exhibits E through X. My back order issues were resolved after Lindsey Wheeler became
25 involved.
26

1 20. During my time as a LuLaRoe retailer, I did not purchase inventory from other
2 retailers, although I did "swap" inventory once. I processed all of my retail sales through Bless,
3 LuLaRoe's point-of-sale platform.

4 21. Around February 2017, I saw the quality of LuLaRoe's clothing decline. I began
5 to point out issues and concerns regarding LuLaRoe in group messenger chats in Facebook. The
6 chat group consisted of fellow retailers and Krissy. I was warned by Krissy to only make positive
7 comments regarding LuLaRoe. Ultimately, Krissy removed me from that chat group on
8 Facebook messenger.

9 22. Due to the quality issues and my other concerns regarding LuLaRoe, in around
10 March or April 2017, I started slowing my orders, and selling my inventory at 25%-30% off the
11 retail price. When LuLaRoe announced that it would refund 100% of the wholesale price for
12 returned items, I sent my remaining inventory back to LuLaRoe. I completed the process for
13 returns, which included tallying my inventory. The inventory I sent back was worth over \$15,000
14 based on the wholesale price. On July 26, 2017, LuLaRoe sent me an email stating that it would
15 refund me \$12,800. The email contained no explanation regarding why LuLaRoe was offering
16 less than the total value of the inventory I returned. A true and correct copy of a screenshot of
17 the July 26, 2017 email I received from LuLaRoe is attached hereto as Exhibit Y, which I sent
18 to the Office of the Attorney General and was produced as WA-AG-004029.

19 23. In response to the July 26, 2017 email, I sent LuLaRoe pictures of all of the
20 inventory that I had returned. A week later, LuLaRoe responded that it would pay me the full
21 amount of \$15,943.85. I sent an email containing LuLaRoe's response to the Office of the
22 Attorney General, a true and correct copy of which has been produced as WA-AG-004016, and
23 is attached to this declaration as Exhibit Z. LuLaRoe sent me a check for that \$15,943.85 on
24 August 16, 2017. I ultimately cancelled my retailer contract in July 2017.

25 //

26 //

24. I declare, under penalty of perjury under the laws of the State of Washington, that the foregoing is true and correct.

DATED this 6th day of July, 2020, at Mukilteo, Washington.



ALICE TALBOT

Exhibit A

From: alice talbot [REDACTED]

To: [REDACTED]

Subject: [BULK] Fw: LuLaRoe Business Opportunity

Date: 2020-02-12 13:10:40 -0800

Importance: Normal

Attachments: LLR_Price_Sheet_20160314_(3)_(1).pdf;
13501688_10154992923426562_994426530191871620_n.jpg

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Sunday, July 10, 2016, 10:10 AM, Krissy Miller [REDACTED] wrote:

Hi Alice,

I'm really happy to hear you're interested in possibly becoming a consultant. I put together some general information on how LuLaRoe works. I'm, also, more than happy to meet up and chat about the details!! :) LuLaRoe has blessed my life and I know it can bless yours, too. I'm a homeschooling mom-of-four and I never thought that I would be able to find a career, even just a job, that would fit our family's schedule and demands. I graduated from the University of Washington with an English degree and shortly after became a stay-at-home mom. In my second full month of being a LuLaRoe consultant I have sold over \$19K in sales (with approximately half of that being my net profit) and this is just the beginning. The reason why I decided to become a LuLaRoe consultant was to provide a better future for my kids and have their dad spend more time at home. The best part about this opportunity is the fact that you are in control of how many hours you want to work and you get to determine what kind of schedule works best for you. However, the more you put into this business, the more you will get back.

If you join my team you will join, the LuLaRoe Loves, which currently includes my 11 Directs, and you, also, join my Sponsor's team, TEAM LuLaLovelies (which is run by Lindsey Wheeler and Ashleigh Lautaha). There is an amazing online support group for this team (with over 1,000 members) and if you ever have a question you can just post it on our team Facebook group and it will be answered in minutes. Of course, as your sponsor I will always be available to answer your questions, support you and your business, and help your business grow. I, also, started and run the LuLaRoe Loves Multi-Consultant Online Sale, which has just began but it has been very successful so I could schedule you into the sales and help you create your own Multi-Consultant Sale, if you wanted.

LuLaRoe is a young company that is booming and just turned 3 years old in May and currently has a little over 20,000 official consultants nationwide. It's an amazing way to make extra cash on the side or a means for a very successful career. There are many people who are leaving their full-time jobs to do LuLaRoe full-time. LuLaRoe was founded on pop-up parties but within the last few months, the customer base has expanded to online sales through Facebook, Periscope, and even, Instagram!!

Even if you are not 100% sure you want to join but are seriously considering becoming a consultant, I would greatly encourage you to submit your paperwork ASAP. There are currently over 15,000 people waiting in the queue to join LuLaRoe as a consultant. At the moment, they are Onboarding 250 people per day but they are committed to expanding that number in the near future. The company has just grown so

rapidly that LuLaRoe wants to responsibly onboard new consultants so that the current consultants are not lacking in inventory. They have recently opened a new, larger warehouse and are adding consultant support and doing everything they can to help us succeed and help the business grow!! Also, submitting your paperwork does not in any way require you to join nor do you have to pay any fees if you decide that you would not like to join LuLaRoe at a later date, you can simply just not take the Onboarding call.

Business Opportunity

LuLaRoe is different than other direct sales companies; the clothes truly sell themselves! We don't sell from catalogs and each print is limited to 2750 pieces so there's not really competition between consultants. You will carry different prints and styles than another consultant down the street ... and will probably buy from them at one point or another :)

The business opportunity is very simple. Basically, you sell clothing merchandise and make a 40-60% profit on everything you sell. In addition, if you choose to build a team you can earn money from the sales from your team members, as well.

Here are some details about the business and the products:

* Parties/Open Houses

- Typically 1.5-2 hours
- No presentation
- Take a minimum of 300 items to each party. The more you have, the more you sell!
- Sell the items on the spot
- Average party is about 25 items sold.

Average profit per item is around \$20

Average profit per party \$375

* Many parties are higher, but some are lower

- You determine the number of parties you do per week.

* Products/Costs

- Product wholesale cost to you - \$10-\$34
- Suggested retail prices range from \$20-\$70 (you determine the price within the range for each item)
- You select the sizes and products you carry.
- Products come in a huge variety of colors and patterns.

You do not choose your fabrics, giving you tons of variety and literally something for everyone!

* LuLaRoe cuts new fabrics each week and sends you a great variety each order.

- Adult product sizes go from XXS-3XL (00-28)
- Girls items come in sizes 2-14

- LuLaRoe pays all cost to ship products to you.

*Initial investment

- It's \$5,355.00 to start and \$1,475 for the Initial Kit Add On, you can use a credit card for this initial payment.
- To get you started, LuLaRoe has created an Onboarding Package with the best selling dress, kimono, skirts, and tops so you can hit the ground running and impress and create loyal excited customers from day one.

* Business Misc

- LuLaRoe has an awesome back office for consultants.

Filled with tons of information, training videos and ideas to grow your business and be successful.

You order and track inventory all online on your schedule.

* Community forum

- Home office offers great support.
- No need to purchase catalogs, invoices, etc., this keeps your costs down.
- You can earn additional income by helping other people build a successful LuLaRoe business.

If you hold 3 parties a week with an average profit of \$375 you would earn over \$1000 per week profit. You can make serious money in this business. Best part is you can be a stay-at-home mom and do a couple parties at night or on the weekend when your husband is home, or you can work a full-time regular job and do this on the side.

If you become a consultant and decide that LuLaRoe is just not your thing, LuLaRoe believes in their product so much that they will buy back your inventory with a 15% restocking fee (if packaged back in individual small plastic bags) or a 30% restocking fee if left unpackaged. Also, other consultants will happily buy what you have at wholesale price.

I started selling LuLaRoe solely for the financial benefits and it's been amazing financially for our family and has even allowed my husband to stop working crazy overtime hours!! But LuLaRoe has become much more than just a job! I love helping women find clothing that they love and they feel beautiful in. I get to hang out with other women while they shop and just chat and have fun. Also, it's "my thing" that I get to do aside from just being a mom and I'm making money doing it! It's amazing! :) I'm, also, showing my kids, especially my daughter, that I can be the "soccer mom" I've always wanted to be and, also, have a successful business. It's changed my life and I'm so thankful for this opportunity that I would love to help others be successful, too! Please let me know if you have any questions - I'd love to get together for coffee and chat! Also, if you're ready to sign up, I will send you all the necessary paperwork! I'm happy to help and serve you any way I can!! :)

Sincerely, Krissy Miller



Lululemon ONBOARDING PACKAGE

Nicole #2 best selling dress

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 5pcs 2XL - 5pcs
 M - 5pcs 3XL - 5pcs
 40pcs x \$23 = \$920

Maxi #2 best selling dress

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 10pcs 2XL - 5pcs
 M - 10pcs 3XL - 5pcs
 50pcs x \$21 = \$1,050

Azure #3 best selling skirt

XS - 10pcs L - 5pcs
 S - 10pcs XL - 5pcs
 M - 10pcs
 40pcs x \$14 = \$560

Irma #1 best selling top

XXS - 10pcs L - 10pcs
 XS - 10pcs XL - 10pcs
 S - 10pcs 2XL - 5pcs
 M - 15pcs 3XL - 5pcs
 75pcs x \$15 = \$1,125

Randy #3 best selling top

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 5pcs 2XL - 5pcs
 M - 5pcs 3XL - 5pcs
 40pcs x \$16 = \$640

Classic T #2 best selling top

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 5pcs 2XL - 5pcs
 M - 5pcs 3XL - 5pcs
 40pcs x \$16 = \$640

Lindsay #1 best selling kimono

S - 5pcs L - 5pcs
 M - 10pcs
 20pcs x \$21 = \$420

INITIAL KIT ADD ON

OS leggings - 25 x 2 packs x \$21 = \$525
 TC leggings - 20 x 2 packs x \$21 = \$420
 Kids Leggings S/M - 10 x 2 packs x \$17 = \$170
 Kids Leggings L/XL - 10 x 2 packs x \$17 = \$170
 Tween Leggings - 10 x 2 packs x \$19 = \$190
75 pcs \$1,475.00

When ordering this add on you will receive 25 Patrick T's
 5 sizes 5 per size! \$500 value

TOTAL 305pcs = \$5,355.00

2016.06.22



PRICE LIST

*Reminder: Advertised prices must be listed at or above the MAP (Minimum Advertised Price) to ensure brand integrity. Facebook, Instagram and other social platforms are considered public places whether or not you've marked them private.

	WHOLESALE	SUGGESTED RETAIL	MAP*
Skirts:			
Maxi (XXS-3XL)	\$21	\$35 - \$42	\$42
Lucy (XXS-2XL)	\$23	\$42 - \$52	\$52
Madison (XS-XL)	\$23	\$38 - \$46	\$46
Azure (XXS-2XL)	\$14	\$30 - \$35	\$35
Cassie (XS-3XL)	\$14	\$30 - \$35	\$35
Lola (XXS-2XL)	\$21	\$40 - \$46	\$46
Jill (XXS-2XL)	\$25	\$48 - \$55	\$55
DRESSES:			
Amelia (XXS-2XL)	\$31	\$60 - \$65	\$65
Ana (XS-3XL)	\$27	\$50 - \$60	\$60
Nicole (XXS-2XL)	\$23	\$40 - \$48	\$48
Julia (XXS-2XL)	\$18	\$38 - \$45	\$45
LEGGINGS:			
Adult One Size 2-Pack	\$21 (2-Pack)	\$20 - \$25	\$25
Adult Plus/Tall Size 2- Pack	\$21 (2-Pack)	\$20 - \$25	\$25
Tween 2-Pack	\$19 (2-Pack)	\$19 - \$23	\$23
BOTTOMS:			
Jade (XS-2XL)	\$26	\$50 - \$55	\$55

	WHOLESALE	SUGGESTED RETAIL	MAP*
Jordan (XS-2XL)	\$29	\$60 - \$65	\$65
TOPS:			
Irma (XXS-XL)	\$15	\$30 - \$35	\$35
Randy (XXS-2XL)	\$16	\$30 - \$35	\$35
Classic T (XXS-3XL)	\$16	\$30 - \$35	\$35
Perfect T (XXS-3XL)	\$17	\$31 - \$36	\$36
Monroe Kimono (S & L)	\$21	\$42 - \$48	\$48
Lindsay Kimono (S, M & L)	\$21	\$42 - \$48	\$48
Sarah Cardigan (XS-XL)	\$30	\$60 - \$70	\$70
Patrick T (M-3XL)	\$20	\$36 - \$40	\$40
KIDS:			
Maxi (2-14)	\$14	\$24 - \$28	\$28
Cassie (2-14) 2-Pack	\$21 (2-Pack)	\$20 - \$24	\$24
Leggings (S/M-L/XL) 2-Pack	\$17 (2-Pack)	\$19 - \$23	\$23
Dotdotsmile Sleeveless (2-14)	\$18	\$32 - \$36	\$36
Dotdotsmile Sleeves (2-14)	\$18	\$32 - \$36	\$36
Azure (2-14) 2-Pack	\$21 (2-Pack)	\$18 - \$25	\$25
Sloan (2-14)	\$13 (2-8) \$15 (10-14)	\$24 - \$28	\$28
Gracie Top (2-14)	\$15	\$24 - \$28	\$28
Temple Dress (XS-3XL)	\$29	\$52 - \$58	\$58
Temple Skirt (XS-3XL)	\$25	\$48 - \$52	\$52

Exhibit B

🔍

📶 🔊 🔋 26% 4:57 PM

←

Photo



lularoeashleighlautaha
LuLaRoe Ashleigh Lautaha

⋮



♡

💬

📌

17 likes

lularoeashleighlautaha It's that time of month for LuLaRoe Consultants! Our





17 likes

lularoeashleighlautaha It's that time of month for LuLaRoe Consultants! Our BONUS payday! Did you know that in addition to running our own fashion boutiques, we consultants have the opportunity to share the business and earn bonus checks each month? Did you know that there are only about 2,000 reps nationwide and we are looking for more women to live the dream along with us?! If you're ready for something new in your life, a breath of fresh air and something to energize you and motivate you both personally and financially, get on the opportunity call today! Contact me for details!

View 1 comment

AUGUST 18, 2015



Exhibit C

← Photo



lularoelindseywheeler




52 likes


lularoelindseywheeler I can hardly believe that it was just 365 days ago that I fell in




Exhibit D




Lindsey Roberts Wheeler

shared a link to the group:
T.E.A.M. LuLa Lovelies 



Sep 1 at 8:10 AM • 

...

We closed August out with a bang and now it's time to tackle September but first we need to send some treasures to 2 amazing ladies for their hard work and dedication to their business!!!! Did you order once a week or at least 4 times last month? Then the August head to toe winner could be YOU 🎉🎉🎉 Don't forget to fill out the link below we will be drawing names soon for a head to toe outfit styled just for you plus fabulous shoes and accessories 😁😁😁👗👗👗 Ash and I can't wait to shop for two more amazing ladies 🥰💖 xoxo Linds~



Write a comment...



WA-AG-005562

Exhibit E

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 15:54:13 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, October 12, 2016, 3:21 PM, Support <support@lularoe.com> wrote:

Dear lularoealicetalbot,

We received your request. We are currently experiencing rapid growth in our company- thank you, we feel the love!!!

Due to this amazing expansion, we are having longer than expected wait times to address our consultants' support concerns. We assure you that we are adding staff as quickly as possible and are doing everything in our power to take care of our valued consultants.

Please allow 2-3 days, sometimes longer depending on the nature of the request. If you wish to reply, please reply to this ticket so we can keep your support request in the same queue; this way you will hold your place in line.

To view the status of the ticket or add comments, please visit

<https://support.lularoe.com/helpdesk/tickets/631256>

You should have received an email with our Help Desk activation instructions. Please click on the activation link to access our Support Portal and check on your ticket status.

Thank you for your patience.

?format=1500w

LuLaRoe Home Office
O - 951-737-7875

Exhibit F

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 15:54:45 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Tuesday, October 18, 2016, 3:50 PM, Support <support@lularoe.com> wrote:

Dear lularoealicerbot,

We received your request. We are currently experiencing rapid growth in our company- thank you, we feel the love!!!

Due to this amazing expansion, we are having longer than expected wait times to address our consultants' support concerns. We assure you that we are adding staff as quickly as possible and are doing everything in our power to take care of our valued consultants.

Please allow 2-3 days, sometimes longer depending on the nature of the request. If you wish to reply, please reply to this ticket so we can keep your support request in the same queue; this way you will hold your place in line.

To view the status of the ticket or add comments, please visit

<https://support.lularoe.com/helpdesk/tickets/> [REDACTED]

You should have received an email with our Help Desk activation instructions. Please click on the activation link to access our Support Portal and check on your ticket status.

Thank you for your patience.

?format=1500w

LuLaRoe Home Office
O - 951-737-7875

Exhibit G

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 15:55:45 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Tuesday, October 18, 2016, 4:32 PM, Ashlee Nobles <support@lularoe.com> wrote:

Hi lularoealicetalbot,

Ticket: [https://support.lularoe.com/helpdesk/tickets/\[REDACTED\]](https://support.lularoe.com/helpdesk/tickets/[REDACTED])

Hello hello

Thank you for sending in your inquiry. We have sent your information to our inventory team. Your missing items from this ticket number will be shipped within 1-3 business weeks. It is important for us to serve you in a timely manner, and re-opening a ticket can lead to a delay in our system. Thank you for all you do! If you have any questions, please feel free to contact Consultant Support! Have a great day!

Ashlee
255227

On Tue, 18 Oct at 3:50 PM , lularoealicetalbot [REDACTED] wrote:
missing from this order

m nicole
2xl nicole
xs julia
xl randy

Exhibit H

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 15:56:42 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Thursday, October 20, 2016, 7:10 PM, Support <support@lularoe.com> wrote:


Dear lularoealicetalbot,

Our Support Rep has indicated that your ticket ([REDACTED] - missing items) has been Closed.

If you believe that the ticket has not been resolved, please follow the link below to reopen the ticket by choosing status "open" and provide details as to why it is not closed.

[https://support.lularoe.com/helpdesk/tickets/\[REDACTED\]](https://support.lularoe.com/helpdesk/tickets/[REDACTED])

Thanks!

?format=1500w

LuLaRoe Home Office
O - 951-737-7875

[https://support.lularoe.com/helpdesk/tickets/\[REDACTED\]](https://support.lularoe.com/helpdesk/tickets/[REDACTED])

Exhibit I

From: alice talbot
Subject:
To: Suner, Victoria (ATG)
Sent: February 13, 2020 12:02 AM (UTC+00:00)

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Thursday, November 3, 2016, 2:37 PM, LuLaRoe <support@lularoe.com> wrote:

Credits for Backorders // Missing Items

[View this email in your browser](#)



Hello Hello!!

As announced on this week's Home Office Webinar, we are issuing credits for any Backorders, Re-ship or Damage requests that we've received but have not completed. These will be issued beginning today and will continue to be generated over the next several days.

If you have submitted a Backorder, Re-ship or Damage request, and it has not been completed, you will receive an email notice that a Credit has been generated for you. The email will also contain details about the request and the items for which you were credited.

You will receive a credit and a notice for every request we have processed. These credits will appear as a Credit on Account, and can be viewed by logging into BUILD, going to My Settings, and selecting Credit Balance to view those transactions.

Also please note, we are still processing requests. Again, as these are received, we process requests by entering them into our internal order management system. So, if you have submitted a request and a credit hasn't yet been issued, please be patient for the next week as we process and catch those up.

If after a week from today, next Thursday the 10th, you have not received a credit for missing items or Back Orders in your Back Office with its accompanying detail we will publish new directions at that time for you.

Thank you for all that you do!!





Copyright © 2016 LuLaRoe, All rights reserved.

You are receiving this email because you are a LuLaRoe Consultant

Our mailing address is:

LuLaRoe
830 E Parkridge Ave
Corona, CA 92879

[Add us to your address book](#)

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#)

Exhibit J

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 16:01:01 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, December 7, 2016, 3:31 PM, Missing Items <missingitems@lularoe.com> wrote:

Hello Hello,

Thank you for the email. We are working hard to resolve all missing item/back order issues. We appreciate your patience as we work through these tickets. We have processed the missing items from this ticket. Please keep in mind that as this ticket closes; our T.E.A.M. is still working through multiple tickets. All of the items mentioned in this tickets will be credited when we have resolved all of the issues. This process may take some time, but should not take longer than 30 days. Please do not open a new inquiry or reply to issues that have been already submitted as doing so will create additional effort that will slow the resolution process.


Thank you for all you do! Have a great day!

-

How would you rate my reply?

Great Okay Not Good

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Wed, Nov 9, 2016 at 3:52 PM PST, Alice Talbot [REDACTED] wrote:

My order from date below

Missing 11/2/16 #17301281

2 Large sarahs
1 m classic

Thank you - alice

Exhibit K

From: alice talbot
Subject:
To: Suner, Victoria (ATG)
Sent: February 13, 2020 12:02 AM (UTC+00:00)

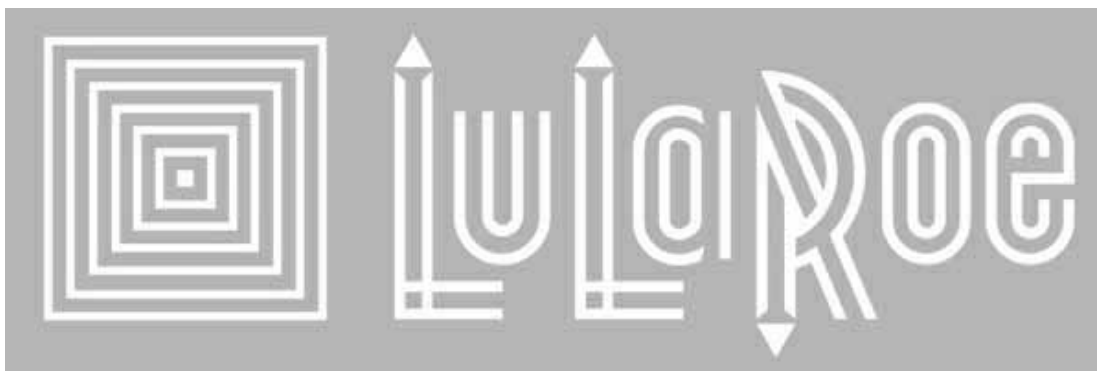
Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Friday, December 16, 2016, 3:44 PM, LuLaRoe <buildandbless@lularoe.com> wrote:

LuLaRoe - UPDATE on Missing Items, Missing Orders, and Backorders

[View this email in your browser](#)



Hello Hello!!

Happy FRIYAY Friends! Our service T.E.A.M.s have been very active over the past several days as they have been working to resolve any outstanding Missing Items, Missing Orders, or Backorder tickets. To complete this process, our amazing T.E.A.M. will be working throughout the weekend to apply credits to those who have been affected. Starting today, December 16, 2016 we will begin to apply credits to accounts. It may take through the end of day Monday, December 19, 2016 to see your credit in your Backoffice.

Additionally, we are receiving great feedback from you and are excited to announce a significant improvement in order accuracy. We are grateful to our Warehouse and Technology T.E.A.M. for their diligence in system improvement and a watchful eye on order accuracy through a refined quality control process.

Make sure to join our Tuesday Home Office Webinar at 10:00AM PST. During our webinar we will be announcing our NEW process going forward for Missing Items, Missing Orders and Backorders as well as providing further instructions for any that may still have an unresolved issue. Our goal is to ensure that your issues are resolved efficiently!

Keep making magic and doing good!

THANK YOU FOR ALL YOU DO!



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Our mailing address is:

LuLaRoe
830 E Parkridge Ave
Corona, CA 92879

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Exhibit L

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 16:03:27 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, December 21, 2016, 9:53 AM, Warehouse <missingitems@lularoe.com> wrote:

Hello Hello Alice,

Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.


We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Have a great day!

How would you rate my reply?

Great Okay Not Good

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Tue, Dec 20, 2016 at 8:00 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Nature of Inquiry:	Back-Ordered Items
Consultant:	Alice Talbot
Consultant ID Number:	
Email:	
Phone Number:	
Order Number:	17788153
Order Date:	Nov 08, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	backordered items plus missing items, however i believe the missing items have been credited back to my account
Date/Time:	Dec 20, 2016 07:54 PM
Item 1:	Carly
Size 1:	S
Quantity1:	1
Item 2:	Carly
Size 2:	M
Quantity2:	1
Item 3:	Randy
Size 3:	XL
Quantity3:	1
Item 4:	Randy
Size 4:	2XL
Quantity4:	1
Item 5:	Irma
Size 5:	S
Quantity5:	2
Item 6:	Irma

Size 6:	M
Quantity6:	1
Item 7:	Irma
Size 7:	L
Quantity7:	1
Item 8:	Irma
Size 8:	XL
Quantity8:	1

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Indianapolis, IN 46250

Exhibit M

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 16:03:56 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, December 21, 2016, 10:14 AM, Warehouse <missingitems@lularoe.com> wrote:

Hello Hello Alice,


Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.

We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Please let me know if there is anything else you would like me to do for you!

Have a great day!

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Tue, Dec 20, 2016 at 8:21 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 12/20/16 8:21 PM

Nature of Inquiry:	Back-Ordered Items
Consultant:	Alice Talbot
Consultant ID Number:	[REDACTED]
Email:	[REDACTED]
Phone Number:	[REDACTED]
Order Number:	17105960
Order Date:	Oct 06, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	missing perfect and nicole
Date/Time:	Dec 20, 2016 08:20 PM
Item 1:	Perfect T
Size 1:	XXS
Quantity1:	2
Item 2:	Nicole
Size 2:	L
Quantity2:	1

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Exhibit N

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 16:04:26 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, December 21, 2016, 10:32 AM, Warehouse <missingitems@lularoe.com> wrote:

Hello Hello Alice,


Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.

We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Please let me know if there is anything else you would like me to do for you!

Have a great day!

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Tue, Dec 20, 2016 at 8:18 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 12/20/16 8:17 PM

Nature of Inquiry:	Back-Ordered Items
Consultant:	Alice Talbot
Consultant ID Number:	[REDACTED]
Email:	[REDACTED]
Phone Number:	[REDACTED]
Order Number:	17165238
Order Date:	Oct 16, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	missing julias
Date/Time:	Dec 20, 2016 08:13 PM
Item 1:	Julia
Size 1:	2XL
Quantity1:	1

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Exhibit O

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:04:53 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, December 21, 2016, 11:04 AM, Warehouse <missingitems@lularoe.com> wrote:


Hello Hello Alice,

Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.

We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Have a great day!

--

 uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Tue, Dec 20, 2016 at 8:07 PM PST, Alice Talbot <lularoealicetalbot@gmail.com> wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 12/20/16 8:06 PM

Nature of Inquiry:

Missing Specific Items

Consultant:	Alice Talbot
Consultant ID Number:	76803
Email:	lularoealicetalbot@gmail.com
Phone Number:	7072084246
Order Number:	17125031
Order Date:	Oct 09, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	missing nicole
Date/Time:	Dec 20, 2016 08:05 PM
Item 1:	Nicole
Size 1:	2XL
Quantity1:	1

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Exhibit P

From: alice talbot [REDACTED]

To: [REDACTED] [REDACTED]

Subject:

Date: 2020-02-12 16:05:17 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, December 21, 2016, 11:20 AM, Warehouse <missingitems@lularoe.com> wrote:


Hello Hello Alice,

Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.

We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Have a great day!

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Tue, Dec 20, 2016 at 8:09 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 12/20/16 8:09 PM

Nature of Inquiry:

Missing Specific Items

Consultant:

Alice Talbot

Consultant ID Number:	[REDACTED]
Email:	[REDACTED]
Phone Number:	[REDACTED]
Order Number:	17211243
Order Date:	Oct 21, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	missing perfects
Date/Time:	Dec 20, 2016 08:08 PM
Item 1:	Perfect T
Size 1:	XXS
Quantity1:	1
Item 2:	Perfect T
Size 2:	L
Quantity2:	1

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Exhibit Q

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:05:46 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, December 21, 2016, 11:39 AM, Warehouse <missingitems@lularoe.com> wrote:


Hello Hello Alice,

Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.

We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Have a great day!

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Tue, Dec 20, 2016 at 8:11 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 12/20/16 8:11 PM

Nature of Inquiry:

Back-Ordered Items

WA-AG-006670

Consultant:	Alice Talbot
Consultant ID Number:	[REDACTED]
Email:	[REDACTED]
Phone Number:	[REDACTED]
Order Number:	17220693
Order Date:	Oct 24, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	backordered amelia, nicole, and irma
Date/Time:	Dec 20, 2016 08:10 PM
Item 1:	Amelia
Size 1:	XL
Quantity1:	1
Item 2:	Nicole
Size 2:	2XL
Quantity2:	1
Item 3:	Irma
Size 3:	S
Quantity3:	1

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Exhibit R

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:06:12 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Thursday, December 22, 2016, 8:48 AM, Warehouse <missingitems@lularoe.com> wrote:

Hello Hello Alice,


Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.

We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Please let me know if there is anything else you would like me to do for you!

Have a great day!

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Tue, Dec 20, 2016 at 8:20 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 12/20/16 8:20 PM

Nature of Inquiry:	Back-Ordered Items
Consultant:	Alice Talbot
Consultant ID Number:	[REDACTED]
Email:	[REDACTED]
Phone Number:	[REDACTED]
Order Number:	17102605
Order Date:	Oct 04, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	this order had missing randys (filled out another form) and a backordered perfect, this form
Date/Time:	Dec 20, 2016 08:18 PM
Item 1:	Perfect T
Size 1:	2XL
Quantity1:	1

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Exhibit S

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:07:10 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Tuesday, December 27, 2016, 6:50 AM, Warehouse <missingitems@lularoe.com> wrote:

Hello Hello Alice,


Thank you for reaching out to us! We are diligently working to resolve all of our Missing Items and Backorder issues. Once we have identified the amount owed to you, you will receive an automatic credit. We would like to advise you that this process may take up to 30 business days to resolve.

We ask that you do not open a new inquiry or reply to the issues that have already been submitted. This will allow for us to address you and other Consultants in a timely manner. Thank you for your patience during this time and appreciate all that you do!

Please let me know if there is anything else you would like me to do for you!

Have a great day!

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Mon, Dec 26, 2016 at 7:30 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 12/26/16 7:30 PM

Nature of Inquiry:	Back-Ordered Items
Consultant:	Alice Talbot
Consultant ID Number:	[REDACTED]
Email:	[REDACTED]
Phone Number:	[REDACTED]
Order Number:	17891187
Order Date:	Nov 22, 2016
Preferred Corrective Action:	Receive Credit on Account
Brief Description of Problem:	Backordered nicole
Date/Time:	Dec 26, 2016 07:29 PM
Item 1:	Nicole
Size 1:	2XL
Quantity1:	1

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Exhibit T

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:08:30 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone


Begin forwarded message:

On Friday, January 20, 2017, 8:47 PM, Warehouse <missingitems@lularoe.com> wrote:

Hello Hello

Thank you again for your inquiry. Your information has been assigned to one of our resolution specialists, who will investigate your inquiry, take appropriate action to resolve your issue and we will advise you of the final resolution upon completion. Complete resolution could take up to 48 hours for full resolution.

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Fri, Jan 20, 2017 at 7:31 PM PST, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form MissingOrders

Submitted at 01/20/17 7:31 PM

Nature of Inquiry:

Missing Specific Items

Consultant:

Alice Talbot

Consultant ID Number:

[REDACTED]

Email: [REDACTED]

Phone Number: [REDACTED]

Order Number: 18358402

Order Date: Jan 10, 2017

Date Received: Jan 20, 2017

Preferred Corrective Action: Receive Credit on Account

Brief Description of Problem: missing nicoles

Date/Time: Jan 20, 2017 07:29 PM

Item 1: Nicole

Size 1: L

Quantity1: 2

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Exhibit U

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:11:36 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Wednesday, May 31, 2017, 5:01 PM, lularoealicetalbot [REDACTED] wrote:

I only got 2 boxes. I should have received 3. I for my perfect that I had to order to fulfill the 30 piece order and 2 Carly kits. Please do not cause a confusion. I'm telling you I only received 1 Carly kit and 1 box with my perfects. I should have received 2 Carly kits. Thank yoh

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

----- Original message -----

From: Warehouse <missingitems@lularoe.com>

Date: 5/31/17 1:58 PM (GMT-08:00)

To: Alice Talbot [REDACTED]


Subject: Re: Missing Order or Items

Hello,

After looking into your order, UPS states that you just received your package. Thank you for your patience.

Have a wonderful Day!

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office

missingitems@lularoe.com

O - 951-737-7875

F - 951-737-7879

On Wed, May 31, 2017 at 12:12 PM PDT, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form Missing Orders

Submitted at 05/31/17 12:12 PM

Nature of Inquiry: Missing Entire Order

Consultant: Alice Talbot

Consultant ID Number:

Email:

Phone Number:

Order Number: 19847472

Order Date: May 25, 2017

Date Received: May 31, 2017

Number of Boxes: 1

All Boxes Received?: No

Preferred Corrective Action: Receive Product

Brief Description of Problem: i ordered 2 carly kits and only received one. this happened last week with my 2 randy kits. please next day air my 2nd carly kit please. thank you.

Date/Time: May 31, 2017 12:10 PM

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Exhibit V

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:12:28 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone


Begin forwarded message:

On Thursday, June 1, 2017, 9:24 AM, Warehouse <missingitems@lularoe.com> wrote:

Hello Hello Alice,

I check on the order # provided and it seems that it is listed as delivered by UPS.
Thank you,

--

uc?
export=download&id=0B_papjV
4e7-LRjdfd

LuLaRoe Home Office
missingitems@lularoe.com
O - 951-737-7875
F - 951-737-7879

On Fri, May 26, 2017 at 12:13 PM PDT, Alice Talbot [REDACTED] wrote:

 Formstack Logo

Formstack Submission for form Missing Orders

Submitted at 05/26/17 12:13 PM

Nature of Inquiry:	Missing Entire Order
---------------------------	----------------------

Consultant:	Alice Talbot
--------------------	--------------

Consultant ID Number:	[REDACTED]
------------------------------	------------

Email:	[REDACTED]
---------------	------------

Phone Number:	[REDACTED]
----------------------	------------

Order Number: 19803965

Order Date: May 19, 2016

Date Received: May 26, 2016

**Number of
Boxes:** 1

**All Boxes
Received?:** No

**Preferred
Corrective
Action:** Receive Product

**Brief
Description of
Problem:** I ordered two randy kits for the americana capsule and only received one. please send me another american randy kit. thank you very much.

Date/Time: May 26, 2017 12:11 PM

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Exhibit W

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 15:58:22 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Thursday, October 27, 2016, 4:20 PM, Alice Talbot [REDACTED] wrote:

invoice 17102605 10/5/16
missing

1 xs sarah
1 m sarah
1 L irma
1 xxs perfect
2 x M randy
1 xl randy
1 2xl perfect
1 xs perfect

invoice 17125031 10/10/16

1 xl carly
1 2xl nicole
1 m nicole

invoice 17146558 10/13/16

1 xs julia
1 xl randy

invoice 17220693 10/24/16

1 xs irma
4 2packs OS leggings

invoice 17211243 10/21/16

1 xxs perfect
1 L perfect
1 2xl classic
1 M nicole
1 L irma

I am pretty sure that these are it.
thanks Krissy

Alice

Exhibit X

From: alice talbot [REDACTED]

To: [REDACTED]

Subject:

Date: 2020-02-12 16:00:01 -0800

Importance: Normal

Sent from Yahoo Mail for iPhone

Begin forwarded message:

On Thursday, November 17, 2016, 1:45 PM, Alice Talbot [REDACTED] wrote:

alice talbot [REDACTED]

missing items

17102605 - 2 medium randy

17125031 - 1 2xl nicole

17146558 - 1 xl randy and 1 xs julia

17211243 - 1 xxs perfect and 1 large perfect

17220693 - 1 xs irma

17301281 - 2 large sarahs and 1 medium classic

17388922 - 1 2xl randy and 1 large clasic

(2 M randy, 1 2xl nicole, 1 xl randy, 1 xs julia, 1 xxs perfect, 1 large perfect, 1 xs irma, 2 large sarahs, 1 medium classic, 1 2xl randy, 1 large classic = 13 total pieces missing)

backorder

17105960 - 1 large nicole and 2 xxs perfect

17102605 - 1 2xl perfect

17146558 - 1 medium amelia

17165238 - 1 2xl julia

17220693 - 1 xl amelia, 1 2xl nicole, and 1 small irma

17246535 - 1 medium perfect, 1 large perfect, and 1 3xl perfect

order # 3184 - 1 2xl nicole

order #? - i just have the slip, and it wasnt filled out - 2 XL randys

lastly 1 2xl classic and 1 2xl irma that I cant figure out which invoices they were from

(1 L nicole, 2 xxs perfect, 1 2xl perfect, 1 medium amelia, 1 2xl julia, 1 xl amelia, 1 2xl nicole, 1 s irma, 1 medium perfect, 1 large perfect, 1 3xl perfect, 1 2xl nicole, 2 - xl randys, 1 2xl classic, 1 2xl irma - 17 pieces backordered total)

thanks krissy

alice

Exhibit Y



Hello Alice [REDACTED],

Thank you for submitting your inventory for a refund. We are sorry that your journey with LuLaRoe has come to an end but we wish you all the best in your future endeavors. We appreciate your patience as we've worked to verify and process your return. We currently calculate your refund as the following:

Damages/Credits: \$ -

Returned Merchandise: \$12,822.63

Outstanding Balance:

Total Refund: \$12,822.63

LOAD MORE

IMPORTANT - Once you have

Exhibit *Z*

To: Suner, Victoria [REDACTED]
From: Alice Talbot
Sent: Mon 2/4/2019 3:59:51 PM
Subject: Fwd: Wrong refund amount
[Collage 2017-07-26 15_00_15.jpg](#)
[Screenshot 20170726-145502.png](#)
[Screenshot 20170726-144948.png](#)
[Collage 2017-07-26 15_00_15.jpg](#)
[Screenshot 20170728-093759.png](#)
[Screenshot 20170728-093809.png](#)
[Collage 2017-07-26 15_00_15.jpg](#)
[Screenshot 20170726-145502.png](#)
[Screenshot 20170726-144948.png](#)

.....
,,,,,,,,,,,,,,,,

Forwarded Conversation
Subject: Wrong refund amount

From: **lularoealicetalbot** [REDACTED]
Date: Wed, Jul 26, 2017 at 3:04 PM
To: <CancellationVerification@lularoe.com>

Hello hello

I received an email that states I am only receiving 12.8k in refund. I don't know where this number came from. Ups shows that only 2 of my 14 boxes have been delivered. The amount owed to me is 15,834.61 PLUS 78.85 in credit on build. So total is 15,913.46. I have attached a collage of all the pics of each and every box that went out and have detailed records of the piece count in each one including video recordings. Please correct this mistake.

Thank you.
Alice

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

From: **Alice Talbot** [REDACTED]
Date: Fri, Jul 28, 2017 at 9:45 AM
To: LuLaRoe <CancellationVerification@lularoe.com>

Hello

A few days ago I sent an email here stating that my refund amount was completely wrong. I haven't heard back from you yet. But I saw many others with my same situation. My packages 12 of 14 have been in transit from Ontario since wednesday. I figured because of convention no one was there to accept them but was told to email this and send my ups info. So attached are the tracking numbers for those still "in transit" and the a collage of all my boxes. my refund owed is 15,834.61 and 78.85 in build damage credit for a total of 15,913.46.
Thank you

Alice 76803

From: **Cancellation Verification** <cancellationverification@lularoe.com>
Date: Tue, Aug 1, 2017 at 3:10 PM
To: Alice Talbot [REDACTED]

Hello Hello,

We appreciate you getting back to us. Here is a breakdown of what we received from you. We have calculated your refund amount from the following list. Please review, and let us know if you have any questions regarding this. Please list any items and their quantities that are missing.

We thank you for your patience.

Style/Size

Style/Size	Quantity	Wholesale	Total	Total: (\$12,822.63)
801-18 Amelia 3XL	-32	\$29.45	-\$942.40	
807-11 Carly XXS	-50	\$23.75	-\$1,187.50	
503-11 Cassie XXS	-53	\$13.30	-\$704.90	
202-18 Classic T 3XL	-55	\$15.20	-\$836.00	
221-18 Disney Classic T 3XL	-11	\$19.00	-\$209.00	
224-18 Disney Irma 3XL	-7	\$20.90	-\$146.30	
222-18 Disney Randy 3XL	-6	\$19.95	-\$119.70	
209-25 Gracie 14	-1	\$14.25	-\$14.25	
201-18 Irma 3XL	-81	\$14.25	-\$1,154.25	
803-18 Julia 3XL	-27	\$17.10	-\$461.70	
100-31 Leggings (Single) S/M	-24	\$8.08	-\$193.80	
100-34 Leggings (Single) O/S	-30	\$9.98	-\$299.25	
100-34 Leggings (Single) O/S	-100	\$9.98	-\$997.50	
100-35 Leggings (Single) T/C	-75	\$9.98	-\$748.13	
100-35 Leggings (Single) T/C	-100	\$9.98	-\$997.50	
808-22 Mae 8	-2	\$14.25	-\$28.50	
509-18 Maxi 3XL	-31	\$19.95	-\$618.45	
206-15 Monroe L	-9	\$19.95	-\$179.55	
804-18 Nicole 3XL	-42	\$21.85	-\$917.70	
204-18 Perfect T 3XL	-60	\$16.15	-\$969.00	
203-18 Randy 3XL	-43	\$15.20	-\$653.60	
210-16 Sarah XL	-14	\$28.50	-\$399.00	
811-24 Scarlett 12	-2	\$15.20	-\$30.40	
205-25 Sloan 14	-1	\$14.25	-\$14.25	

--

Daniel V

cancellationverification@lularoe.com

On Fri, Jul 28, 2017 at 9:45 AM PDT, Alice Talbot [REDACTED] wrote:

Hello

A few days ago I sent an email here stating that my refund amount was completely wrong. I haven't heard back from you yet. But I saw many others with my same situation. My packages 12 of 14 have been in transit from Ontario since wednesday. I figured because of convention no one was there to accept them but was told to email this and send my ups info. So attached are the tracking numbers for those still "in transit" and the a collage of all my boxes. my refund owed is 15,834.61 and 78.85 in build damage credit for a total of 15,913.46.

Thank you

Alice [REDACTED]

On Fri, Jul 28, 2017 at 9:43 AM PDT, Alice Talbot [REDACTED] wrote:

Hello

A few days ago I sent an email here stating that my refund amount was completely wrong. I haven't heard back from you yet. But I saw many others with my same situation. My packages 12 of 14 have been in transit from Ontario since wednesday. I figured because of convention no one was there to accept them but was told to email this and send my ups info. So attached are the tracking numbers for those still "in transit" and the a collage of all my boxes. my refund owed is 15,834.61 and 78.85 in build damage credit for a total of 15,913.46.

Thank you

Alice [REDACTED]

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

----- Original message -----

From: LuLaRoe <cancellationVerification@lularoe.com>

Date: 7/26/17 1:44 PM (GMT-08:00)

To: [REDACTED]

Subject: Refund Verification

LuLaRoe - WELCOME WELCOME!

[View this email in your browser](#)

Hello Alice (ID: [REDACTED]),

Thank you for submitting your inventory for a refund. We are sorry that your journey with LuLaRoe has come to an end but we wish you all the best in your future endeavors. We appreciate your patience as we've worked to verify and process your return. We currently calculate your refund as the following:

Damages/Credits: \$ -

Returned Merchandise: \$12,822.63

Outstanding Balance:

Total Refund: \$12,822.63

IMPORTANT - Once you have verified that this matches what you had anticipated, we will issue a check for the Total Refund amount. Please note that by accepting this, you agree that you have processed all returns that you intend to submit. Any returns submitted following acceptance of the total refund value will not be processed.

If you feel this amount is incorrect, please reach out to CancellationVerification@LuLaRoe.com and provide a copy of any reporting you have as well as what you believe the correct total should be to assist us in researching and making any necessary adjustments.

Thank you for the time and energy you have dedicated to your LuLaRoe business!

You are receiving this email because you requested a refund for returned merchandise in connection with your exiting the business.

Our mailing address is:

LuLaRoe
830 E Parkridge Ave, Corona, CA
Corona, CA 92879

[Add us to your address book](#)

Want to change how you receive these emails?

You can [update your preferences](#) or [unsubscribe from this list](#)

On Wed, Jul 26, 2017 at 3:05 PM PDT, Alice Talbot [REDACTED] wrote:

Hello hello

I received an email that states I am only receiving 12.8k in refund. I don't know where this number came from. Ups shows that only 2 of my 14 boxes have been delivered. The amount owed to me is 15,834.61 PLUS 78.85 in credit on build. So total is 15,913.46. I have attached a collage of all the pics of each and every box that went out and have detailed records of the piece count in each one including video recordings. Please correct this mistake.

Thank you.
Alice

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

From: lularoeallicetalbot [REDACTED]
Date: Tue, Aug 1, 2017 at 3:32 PM
To: Cancellation Verification <cancellationverification@lularoe.com>

Hi Daniel.

You are missing 200 regular OS leggings and all of my Disney leggings which I had 55 OS Disney, 26 TC Disney, and 6 Kids SM Disney. :) please add those to my total. You also gave me 2 extra classics. I only sent back 53. Thank u.

Alice

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

From: **Cancellation Verification** <cancellationverification@lularoe.com>
Date: Tue, Aug 1, 2017 at 5:27 PM
To: Alice Talbot [REDACTED]

Hello hello,

Thank you for confirming. We have updated your return. Now your check total is \$ 15,806.10 . You will be on the next check run once we confirm the merchandise when received. Our check runs are done Monday, Wednesday and Friday.

****Note**** if we have received the merchandise already you will be taken care of this week.

Thank you for your patience,

Style/Size	Quantity	Wholesale	Total	Total: (\$15,806.10)
801-18 Amelia 3XL	-32	\$29.45	-\$942.40	
807-11 Carly XXS	-50	\$23.75	-\$1,187.50	
503-11 Cassie XXS	-53	\$13.30	-\$704.90	
202-18 Classic T 3XL	-53	\$15.20	-\$805.60	
221-18 Disney Classic T 3XL	-11	\$19.00	-\$209.00	
224-18 Disney Irma 3XL	-7	\$20.90	-\$146.30	
113-31 Disney Leggings S/M	-6	\$9.50	-\$57.00	
113-34 Disney Leggings O/S	-55	\$11.88	-\$653.13	
113-35 Disney Leggings T/C	-26	\$11.88	-\$308.75	
222-18 Disney Randy 3XL	-6	\$19.95	-\$119.70	
209-25 Gracie 14	-1	\$14.25	-\$14.25	
201-18 Irma 3XL	-81	\$14.25	-\$1,154.25	
803-18 Julia 3XL	-27	\$17.10	-\$461.70	
100-31 Leggings (Single) S/M	-24	\$8.08	-\$193.80	

100-34 Leggings (Single) O/S -230	\$9.98	-\$2,294.25
100-34 Leggings (Single) O/S -100	\$9.98	-\$997.50
100-35 Leggings (Single) T/C -75	\$9.98	-\$748.13
100-35 Leggings (Single) T/C -100	\$9.98	-\$997.50
808-22 Mae 8	-2	\$14.25
509-18 Maxi 3XL	-31	\$19.95
206-15 Monroe L	-9	\$19.95
804-18 Nicole 3XL	-42	\$21.85
204-18 Perfect T 3XL	-60	\$16.15
203-18 Randy 3XL	-43	\$15.20
210-16 Sarah XL	-14	\$28.50
811-24 Scarlett 12	-2	\$15.20
205-25 Sloan 14	-1	\$14.25

--

Daniel V
cancellationverification@lularoe.com

On Tue, Aug 1, 2017 at 3:33 PM PDT, Alice Talbot [REDACTED] wrote:

Hi Daniel.

You are missing 200 regular OS leggings and all of my Disney leggings which I had 55 OS Disney, 26 TC Disney, and 6 Kids SM Disney. :) please add those to my total. You also gave me 2 extra classics. I only sent back 53. Thank u.

Alice

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

 From: [lularoeallicetalbot](mailto:lularoeallicetalbot@lularoe.com) [REDACTED]
 Date: Tue, Aug 1, 2017 at 7:05 PM
 To: Cancellation Verification <cancellationverification@lularoe.com>

Hi that total was still off. I just looked again. I'm missing 2 Amelias and my build credit of 78.85.

Thank you.

Alice

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

----- Original message -----

From: Cancellation Verification <cancellationverification@lularoe.com>

Date: 8/1/17 5:27 PM (GMT-08:00)

To: Alice Talbot [REDACTED]

Subject: Re: Wrong refund amount

From: Cancellation Verification <cancellationverification@lularoe.com>

Date: Wed, Aug 2, 2017 at 8:23 AM

To: Alice Talbot [REDACTED]

Hello hello,

Thank you for confirming. We have updated your return. Now your check total is \$ 15,943.85 . You will be on the next check run once we confirm the merchandise when received. Our check runs are done Monday, Wednesday and Friday.

****Note**** if we have received the merchandise already you will be taken care of this week.

Thank you for your patience

Style/Size

Style/Size	Quantity	Wholesale	Total	Total: (\$15,865.00)
801-12 Amelia XS	-2	\$29.45	-\$58.90	
801-18 Amelia 3XL	-32	\$29.45	-\$942.40	
807-11 Carly XXS	-50	\$23.75	-\$1,187.50	
503-11 Cassie XXS	-53	\$13.30	-\$704.90	
202-18 Classic T 3XL	-53	\$15.20	-\$805.60	
221-18 Disney Classic T 3XL	-11	\$19.00	-\$209.00	
224-18 Disney Irma 3XL	-7	\$20.90	-\$146.30	
113-31 Disney Leggings S/M	-6	\$9.50	-\$57.00	
113-34 Disney Leggings O/S	-55	\$11.88	-\$653.13	
113-35 Disney Leggings T/C	-26	\$11.88	-\$308.75	
222-18 Disney Randy 3XL	-6	\$19.95	-\$119.70	
209-25 Gracie 14	-1	\$14.25	-\$14.25	
201-18 Irma 3XL	-81	\$14.25	-\$1,154.25	
803-18 Julia 3XL	-27	\$17.10	-\$461.70	
100-31 Leggings (Single) S/M	-24	\$8.08	-\$193.80	
100-34 Leggings (Single) O/S	-230	\$9.98	-\$2,294.25	
100-34 Leggings (Single) O/S	-100	\$9.98	-\$997.50	

100-35 Leggings (Single) T/C -75	\$9.98	-\$748.13
100-35 Leggings (Single) T/C -100	\$9.98	-\$997.50
808-22 Mae 8	-2	\$14.25
509-18 Maxi 3XL	-31	\$19.95
206-15 Monroe L	-9	\$19.95
804-18 Nicole 3XL	-42	\$21.85
204-18 Perfect T 3XL	-60	\$16.15
203-18 Randy 3XL	-43	\$15.20
210-16 Sarah XL	-14	\$28.50
811-24 Scarlett 12	-2	\$15.20
205-25 Sloan 14	-1	\$14.25

--

Daniel V
cancellationverification@lularoe.com

On Tue, Aug 1, 2017 at 7:05 PM PDT, Alice Talbot [REDACTED] wrote:

Hi that total was still off. I just looked again. I'm missing 2 Amelias and my build credit of 78.85.

Thank you.

Alice

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

 From: **lularoealicetalbot** [REDACTED]
 Date: Wed, Aug 2, 2017 at 11:51 AM
 To: Cancellation Verification <cancellationverification@lularoe.com>

Yay! Thank you so much! ♥

Sent via the Samsung Galaxy S7 edge, an AT&T 4G LTE smartphone

----- Original message -----
 From: Cancellation Verification <cancellationverification@lularoe.com>

Date: 8/2/17 8:23 AM (GMT-08:00)

To: Alice Talbot [REDACTED]

Subject: Re: Wrong refund amount

From: Alice Talbot [REDACTED]

Date: Mon, Feb 4, 2019 at 2:58 PM

To: LuLaRoe <CancellationVerification@lularoe.com>

From: Mail Delivery Subsystem <mailer-daemon@googlemail.com>

Date: Mon, Feb 4, 2019 at 2:59 PM

To: [REDACTED]



Address not found

Your message wasn't delivered to **CancellationVerification@lularoe.com** because the address couldn't be found, or is unable to receive mail.

LEARN MORE

The response was:

The email account that you tried to reach is disabled. Learn more at
https://support.google.com/mail/?p=DisabledUser_d192sor750518iof.103 - gsmtip

----- Forwarded message -----

From: Alice Talbot [REDACTED]
To: LuLaRoe <CancellationVerification@lularoe.com>
Cc:
Bcc:
Date: Mon, 4 Feb 2019 14:58:52 -0800
Subject: Re: Wrong refund amount

From: Alice Talbot [REDACTED]
Date: Mon, Feb 4, 2019 at 3:26 PM
To: [REDACTED]

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STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

LLR, Inc.; LLR LULRAROE, Inc.;
LENNON LEASING, LLC; MARK A.
STIDHAM; DEANNE S. BRADY a/k/a
DEANNE STIDHAM; AND JORDAN K.
BRADY,

Defendants.

NO. 19-2-02325-2 SEA

DECLARATION OF AMANDA
MACKAY

I, AMANDA MACKAY, declare as follows:

1. I make this declaration based on my personal knowledge of the matters set forth herein and, if called upon to testify, I could and would testify competently thereto. My knowledge is based upon my direct personal involvement with LuLaRoe, Inc., a Wyoming Corporation, doing business as LuLaRoe, Inc ("LuLaRoe").

2. I currently live in Atlanta, Georgia, but lived in Redmond, Washington from April 2016 until January 2018. From approximately March 2017 to December 2017, I was an Independent Fashion Retailer ("IFR") with LuLaRoe, and as such purchased products from LuLaRoe at wholesale, and sold them at retail.

3. My retailer ID is [REDACTED].

4. I am currently a stay-at-home parent with a degree in Exercise Physiology.

1 5. I first learned of LuLaRoe from a friend in Utah, Ashleigh Savage ("Ashleigh")
2 who had become an IFR a year earlier. I had joined her Facebook page and purchased a few
3 items from her during her Facebook live sales. We became friends and one day she approached
4 me about the opportunity. When I expressed interest, she told me about her experience. By that
5 time, I had watched many of Ashleigh's Facebook live sales and could see how easily she sold
6 the garments and how successful she was as a consultant.

7 6. Prior to joining, I researched the LuLaRoe business opportunity to see if it was
8 right for me. I also looked at the Retailer Map. The map had an indicator of where there were
9 IFRs. I recall seeing a few scattered in the islands throughout the Puget Sound but no one in
10 Redmond, Washington. I relied on this information when making the decision to join LuLaRoe.
11 Relying on the Retailer Map, I understood there were no IFRs in my vicinity and thought my
12 chances of success were good.

13 7. As part of my research, I recall watching a video on YouTube of Deanne Brady
14 ("Deanne") and Mark Stidham's ("Mark") story about how they started this business. During the
15 video Deanne talked about how anyone could do this, suggesting it was a perfect business for
16 stay-at-home moms because it gave them flexibility and didn't require previous experience. She
17 also provided testimony regarding how women have rescued their families during financial crisis
18 by selling LuLaRoe. Deanne expressed that she wanted to share that blessing with all women,
19 using terms like sisterhood and female empowerment, women helping and uplifting other
20 women. It was all very fluffy and altruistic, but appealing to hear and encouraging to look
21 forward to. LuLaRoe marketed that it was a good opportunity to earn full-time income putting
22 in part-time hours. It was my goal to build a business where I could earn money and be a stay-
23 at-home mom.

24 8. Deanne's testimony affected me greatly because that was the exact lifestyle I was
25 trying to achieve coming straight from the owner's mouth. I don't recall if the exact phrase part-
26 time work, full-time pay was mentioned in that video, but I recall seeing and hearing the phrase

1 everywhere, enough that I can't differentiate one particular time. Based on what Deanne and
2 Ashleigh said, I inferred LuLaRoe was part-time work with full-time pay and would require very
3 little effort. I relied on Ashleigh's words and recalled that she told me as long as I was willing
4 to put work into the business, my profits would be good. However, Ashleigh never clarified
5 exactly how much work. Ashleigh never talked about how much money she made, rather she
6 talked about the things she was able to do because of LuLaRoe. I was able to infer Ashleigh's
7 earnings from her lifestyle.

8 9. Based on Deanne's statements and Ashleigh's sales and lifestyle, my expectation
9 of income was \$1,000 a month working 20 hours a week. I also hoped to earn an additional \$500
10 a month in bonuses.

11 10. I had heard terms like, "You buy it for \$10 you sell it for \$20 and you pocket \$10
12 profit, it's that easy," from Deanne. My expectation was to do this for several hours a day after
13 my existing part-time job, which was completely flexible.

14 11. In February 2017, I submitted my application for onboarding. Since I had
15 witnessed Ashleigh's success, I chose Ashleigh to become my sponsor believing I could learn
16 from her and mimic that success.

17 12. At the time I joined, there was a wait to onboard. I waited nearly five weeks to
18 onboard. While I was waiting to onboard, Ashleigh suggested I listen to a few Queue calls.
19 Queue calls are intended for women who have signed up to become an IFR, but have not placed
20 their initial order, hence no money has been exchanged. I found the Queue calls to be
21 inspirational but not informational. The Queue calls are mostly led by Deanne but at times Justin
22 Lyon ("Justin") and Jordan Brady ("Jordan") participated. The calls kept me excited about the
23 business opportunity. I think that is what they are intended to do.

24 13. I financed my business by placing my initial purchase of approximately \$6,000
25 on a credit card. I believe I purchased the largest onboarding package and added on a package
26 of leggings because they were not included in the package. I also spent an additional

1 approximately \$250 for hangers, rolling racks, a tripod, and little giveaways. I believed I could
2 pay back the credit card debt for the initial investment in a reasonable time and become profitable
3 afterward.

4 14. I continued to work part time at the gym until December 2017 as an Exercise
5 Physiologist. That position allowed me to work as many hours as I wanted or needed and was
6 completely flexible. Initially my plan was to transition from the gym to LuLaRoe full-time by
7 September 2017. Because I was expecting my daughter in February 2018, I wanted to be on track
8 to work completely from home. I thought that goal was very feasible based on Deanne's
9 testimony.

10 15. Although it was initially my intention to pay back my credit card debt with my
11 initial profits, that didn't happen. During the weekly Tuesday calls hosted by LuLaRoe we were
12 encouraged to place orders often. The underlying theme was that you can't sell what you don't
13 have. Ashleigh also suggested that I order weekly to keep my inventory fresh and exciting for
14 customers.

15 16. Before I joined, no one ever talked about the possibility of duplications and prints
16 that truly just don't sell. However, it was my experience that on average nearly 50 percent of the
17 garments I received in each box simply did not sell.

18 17. Often I would scrape up the money to place an order thinking I was going to get
19 new desirable pieces, yet instead I would get duplications and undesirable prints that were just
20 so ugly no one wanted them, basically tying up my money.

21 18. While I was with LuLaRoe I was placed in the Facebook group for Ashleigh's
22 team and that of her sponsor. I often saw posts by Ashleigh and other leaders in my upline
23 regarding how LuLaRoe positively affected their lives. I understand that IFRs were encouraged
24 to make these posts by LuLaRoe to flaunt their success as a result of LuLaRoe in an effort to
25 attract the attention of new recruits. Often IFRs in my upline would post a photo with a comment,
26 "Here is my because of LuLaRoe photo, what's yours?", encouraging other IFRs to post their

1 lifestyle photos underneath. I recall being told this was a directive from Home Office but I cannot
2 remember from whom specifically. I also recall it was presented as a 30-day challenge.

3 19. Deanne would often use phrases like “fake it until you make it,” which I took as
4 portraying success publicly—for example, on social media—even if you were not. She told IFRs
5 to always to emulate success, be the person others want to follow. I believe this was so anyone
6 who saw you could infer that LuLaRoe is a lucrative business.

7 20. Deanne always spun these phrases as a positive for us, inferring it would increase
8 our chances of building a downline. In hindsight, I see how this was ultimately a gain for
9 LuLaRoe because each recruit is at least another \$5,000 in LuLaRoe’s account, not even
10 calculating all the future purchases. I have friends who still sell LuLaRoe and they still post
11 lifestyle photos with hashtags #becauseoflularoe. Home Office and high level IFRs encourage
12 IFRs to feign success even if they were not.

13 21. At the advice of Ashleigh and leaders in my upline, as well as Home Office
14 weekly webinars, I grew my inventory as fast and big as I could. The weekly webinars would
15 always hype one thing or another to get IFRs to place orders. Deanne and Ashleigh both stated
16 that successful IFRs tend to carry a minimum of 1,000 pieces. Additionally, I remember the
17 advice that IFRs who had at least 10 of each style and size were most likely to succeed. The
18 constant reminder and push to buy more inventory almost made me feel guilty when I didn’t.
19 Mark and DeAnne used phrases like you are the only one standing in the way of your own
20 success in conjunction with ordering inventory.

21 22. I recall Deanne saying “the more you buy the more you sell.” Actually I heard
22 that term so many times from Deanne and other IFRs I would say it was a slogan of LuLaRoe.

23 23. I recall ordering four or five times after my initial order and having large
24 minimum order requirements. Each order would cost me several hundred dollars to meet the
25 minimum 33 piece monthly requirements.
26

1 24. I do not recall any instance in which LuLaRoe asked me to provide verification
2 of retail sales or asked me to keep retail receipts for an audit. There was no limitation to the
3 amount of mainline merchandise I could purchase from LuLaRoe, and I was never required to
4 report my inventory to my sponsor or LuLaRoe.

5 25. Selling LuLaRoe was harder than I was led to believe for several reasons. Getting
6 people interested in my specific group was hard because there were so many other IFRs
7 consumers could follow and purchase from. After joining, I realized there were far more retailers
8 than I was led to believe from the Retailer Map.

9 26. Additionally there was more time involved in hosting a sale than I was led to
10 believe. When I listened to Deanne's video or other IFRs before I joined, no one ever talked
11 about the time to unbox, hang photographs, make labels, ship products, and invoice the items
12 sold. I realized I was working a full-time job after my regular work day in an effort to run my
13 LuLaRoe business.

14 27. Market saturation became clearly apparent after I signed up. I searched Facebook
15 and saw many IFRs near me. I confronted Ashleigh about this and was told that it didn't really
16 matter because everyone got different prints.

17 28. I never achieved a rank or participated in any type of incentive. I was too involved
18 in trying to sell my inventory when the bonus structure changed to remember anything about it.
19 I recall around that time trying to acquire Disney and Americana items and being disappointed
20 that the more well-known, big sellers were receiving and selling those items but I wasn't. I knew
21 this because I could see the posts of the products in my upline's Facebook group and other well-
22 known Mentors on other teams.

23 29. During my time with LuLaRoe, I recall that any type of questioning, criticism, or
24 negativity of the company was immediately discouraged and shut down by Ashleigh. Ashleigh
25 would often tell me to put a positive spin on clothing that was unwanted, such as calling it a
26 unique piece. When I voiced discontent about not receiving the new or desired prints, Ashleigh

1 told me to stay positive and I would get the "good stuff" next time, pushing me to place another
2 order.

3 30. My husband began to hear in the media that LuLaRoe was involved in several
4 lawsuits and accused of being a pyramid scheme. It bothered me that as IFRs and individuals
5 who represent LuLaRoe we were discouraged from asking questions. Often times phrases like,
6 "Don't worry about it," and, "Work your business," were the answers to questions posted both
7 in our teams and during the weekly calls. Mark and Deanne always had a way of spinning facts
8 to make them look good and make it appear as though they had the IFRs' best interest at heart.
9 In hindsight, I realize that it was disingenuous. I began to question the integrity of the company
10 and the validity of the opportunity.

11 31. I decided the LuLaRoe business was not a good fit for my needs, and I was
12 working far more than I was led to believe. I decided to exit LuLaRoe. I initially tried to sell my
13 merchandise to other retailers to avoid or diminish my return shipping expense. I was able to sell
14 approximately 10 shirts to another consultant at wholesale. I was told from other consultants that
15 if LuLaRoe found out I was trying to sell below minimum advertised price ("MAP") to the public
16 they would not pay anything during my official exit, so I never tried to sell my inventory at a
17 discount.

18 32. Around December 29, 2017, I resigned knowing that I could not continue being
19 unprofitable. I messaged my sponsor for instructions. I followed the procedure of the time and
20 inventoried my merchandise at \$4,285.24.

21 33. I completed the "formstacks" and received an email from LuLaRoe stating that
22 according to their records of orders from the last 12 months, I would be entitled to a refund of
23 Up to \$3,895.68. The email also contained an RA# with instruction on how to send merchandise
24 back. I forwarded this email to the Office of the Attorney General on May 22, 2018, a copy of
25 which is attached to this declaration as Exhibit A.
26

1 34. This amount they offered was not aligned with my year-end report, and how much
2 I thought I was owed. But I was done arguing or communicating with LuLaRoe and wanted to
3 put this chapter of my life behind me, so decided to accept the refund. I sent a copy of my year-
4 end report to the Office of the Attorney General on June 5, 2018, a copy which is attached to this
5 declaration as Exhibit B

6 35. On January 3, 2018, I paid \$227.45 to ship my items back. I forwarded my
7 shipping receipt to the Office of the Attorney General on May 22, 2018, a copy of which is
8 attached as Exhibit C.

9 36. On January 8, 2018, I received confirmation that LuLaRoe had received my
10 inventory. I forwarded this email to the Office of the Attorney General on May 22, 2018, a copy
11 of which is attached to this declaration as Exhibit D.

12 37. On January 9, 2018, I received another email from LuLaRoe stating they had
13 received and inspected my items and confirmed I would be eligible for a refund of \$3,333.45.
14 The email had a breakdown and identified some items as "Rejected-Not in Resalable Condition"
15 but didn't provide an explanation as to why. The merchandise that did not qualify for a refund
16 was not returned to me. The email also stated that the request for a refund was submitted to
17 Accounting and I would receive a check in the next two weeks. I forwarded this email to the
18 Office of the Attorney General on May 22, 2018, a copy of which is attached to this declaration
19 as Exhibit E.

20 38. On January 26, 2018, expecting a check as per the email, I reached out to
21 LuLaRoe and inquired about my refund. I forwarded this email to the Office of the Attorney
22 General on May 22, 2018, a copy of which is attached to this declaration as Exhibit F.

23 39. On February 1, 2018, I sent an email to LuLaRoe, checking on the status on my
24 check. I forwarded this email to the Office of the Attorney General on May 22, 2018, a copy of
25 which is attached to this declaration as Exhibit G. I received a reply email from LuLaRoe stating
26 that I will receive a check for my returns, however the IFRs who submitted returns during the

1 100 percent refund policy were being processed first and then I would receive an email when
2 my return was processed. The email noted that there was a "miscommunication" about the
3 receiving the check within two weeks. I forwarded this email to the Office of the Attorney
4 General on May 22, 2018, a copy of which is attached to this declaration as Exhibit H. I was
5 disappointed, and sent a reply email back to LuLaRoe asking if I should not expect the check at
6 all. I forwarded this email to the Office of the Attorney General on May 22, 2018, a copy of
7 which is attached to this declaration as Exhibit I. LuLaRoe replied that I would be receiving a
8 check for my returns, but noted a delay, stating they were still paying out those eligible for the
9 100 percent refund. I forwarded this email to the Office of the Attorney General on May 22,
10 2018, a copy of which is attached to this declaration as Exhibit J.

11 40. On March 26, 2018, I again followed up with LuLaRoe asking the status of my
12 refund check. I forwarded this email to the Office of the Attorney General on May 22, 2018, a
13 copy which is attached to this declaration as Exhibit K.

14 41. On March 27, 2018, I received a reply from LuLaRoe, stating "We do not have a
15 time frame for when your check will be processed" I forwarded this email to the Office of
16 the Attorney General, a copy of which is attached to this declaration as Exhibit L.

17 42. On April 17, 2018, I sent an email to LuLaRoe letting them know we were
18 moving since I wanted to give them my new address for the check. I forwarded this email to the
19 Office of the Attorney General on May 22, 2018, a copy of which is attached to this declaration
20 as Exhibit M. They replied asking for my address. I forwarded this email to the Office of the
21 Attorney General on, a copy of which is attached to this declaration as Exhibit N.

22 43. On May 4, 2018, I again emailed LuLaRoe, noting that it had been four months
23 since I got an email saying I would have a check sent out in two weeks. I was growing
24 increasingly frustrated because my family was counting on the \$3,000 refund that was supposed
25 to be returned to me. I forwarded this email to the Office of the Attorney General on May 22,
26 2018, a copy of which is attached to this declaration as Exhibit O.

1 44. On May 10, 2018, I received a reply email, noting that they do not have a time
2 frame for when the check would be issued. I forwarded this email to the Office of the Attorney
3 General on May 22, 2018, a copy of which is attached to this declaration as Exhibit P.

4 45. On May 30, 2018, almost six months after I sent in my inventory, I received an
5 email from LuLaRoe advising that Accounting had issued a check, and it was being mailed that
6 day. I forwarded this email to the Office of the Attorney General on May 30, 2018, a copy of
7 which is attached to this declaration as Exhibit Q.

8 46. When I joined LuLaRoe, I relied on the 90 percent refund upon cancellation of
9 business as a failsafe should the opportunity not work out. LuLaRoe did not handle my
10 cancellation of business in a reasonable time. They did not indicate that they would process a
11 refund in five months. Nor did my sponsor advise me that LuLaRoe might short me a couple of
12 hundred dollars and not explain why. We just had a new baby, which meant so many new
13 expenses. We had to take money out of savings accounts to pay off the credit card used for
14 LuLaRoe purchases to avoid more interest.

15 47. In the end, LuLaRoe did not live up to my expectations. During my time with
16 LuLaRoe I purchased about \$8,200 of wholesale merchandise. If the business worked as they
17 claim it should have, I should have had about \$16,000 in retail sales.

18 48. That was not my experience. I believe I sold about \$4,800.00 in retail sales, which
19 would have meant a profit of \$2,400 if I were able to sell everything at double the cost. I couldn't
20 even sell enough to pay for my initial purchase. Although I recovered about \$3,000 through the
21 return process, I lost 10 percent right off the bat through the 90 percent policy. Then they shorted
22 me twice in the return calculations with no explanation why.

23 49. After nine months of working approximately 20 hours a week and waiting more
24 than five months to recover my money, I consider my participation in LuLaRoe a big loss. My
25 husband was very annoyed at LuLaRoe for portraying the business opportunity in a way we
26 found deceitful, and we felt it was unfair or unreasonable to wait more than five months for a

1 company to process a return. Had I worked those additional hours at the gym as an Exercise
2 Physiologist I would have come home with a sizeable salary.

3 50. Looking back, I believe Deanne targeted stay-at-home moms; it seemed she knew
4 exactly the words stay-at-home moms wanted to hear and how to tug on our heartstrings.

5 51. I declare, under penalty of perjury under the laws of the State of Washington, that
6 the foregoing is true and correct.

7 DATED this 9^m day of July, 2020, at Cowley, Wyoming.

8
9 Amanda Mackay
10 AMANDA MACKAY
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Exhibit A

From: amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Returns Form Accepted
Date: Tuesday, May 22, 2018 2:37:12 PM

Sent from my iPhone

Begin forwarded message:

From: Amanda Mackay [REDACTED]
Date: May 22, 2018 at 3:29:19 PM MDT
To: Amanda Mackay [REDACTED]
Subject: Fwd: Returns Form Accepted

Sent from my iPhone

Begin forwarded message:

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: January 3, 2018 at 11:57:47 AM MST
To: [REDACTED]
Subject: Returns Form Accepted



Hello Amanda

Thank you for your patience as we work through the proper steps in the cancellation of your business. We have completed a review of your orders from the last 12 months, your sales and your compensation reports. Based upon this review, you may qualify for a refund of up to \$3,895.68. Below is a description of how this number has been calculated.

Maximum return amount: Up to \$3,895.68

Return Upon Cancellation of Business Reminders:

1. Only product purchased by consultant from LLR

2. Only products in Resalable condition purchased within the last year (i.e. product is unworn, unwashed, folded, with original hang tags and packaging) that can be sold at full wholesale price
3. Only product purchased in the past year
4. Products will be reimbursed 90% of original purchase price
5. Shipping and handling paid by consultant
6. Bonuses paid during the past year and through July 2017, may be deducted from amount owed

Please click here to fill out the [Tracking and Return Authorization](#) number submission form and enter your Case # is [REDACTED]

Your RA # is [REDACTED]. **This must be written clearly on all boxes and is required before you can submit your forms for return authorization.** You will also need to provide the tracking number of your boxes in the return request form. **You must also clearly label the outside of each box with the number of that box in the series, e.g. if you are sending three boxes each box needs to be labeled as such, box 1 of 3, box 2 of 3 and box 3 of 3.**

YOU MUST FOLLOW STEPS 1, 2 AND 3 BELOW OR YOUR BOXES WILL BE REJECTED AT THE DOCK AND RETURNED TO SENDER.

- 1. RA number listed clearly listed on the outside of each box**
- 2. Number of pieces in the box must be clearly stated on outside of the box**
- 3. Boxes clearly numbered in sequence**

**4. Mail to
LuLaRoe
11618 Mulberry Ave
Fontana, CA 92337**

“Upon the cancellation of an Independent Fashion Retailer’s Agreement, the Independent Fashion Retailer may return products and sales aids for a refund. In order to receive a refund from LLR pursuant to this policy, the following requirements must be met:

The items being returned must have been personally purchased by the Independent Fashion Retailer from LLR (purchases from other Independent Fashion Retailers or third parties are not subject to refund);

The items must be in Resalable condition (see Definition of “Resalable”

below); and

The items must have been purchased from LLR within one year prior to the date of cancellation.

Upon receipt of the Resalable products and sales aids, the Independent Fashion Retailer will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Retailer when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Retailer was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Retailer based on that product purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed “Resalable” if each of the following elements is satisfied: 1) they are unworn, unwashed, folded with hang tags and in original packaging*; 2) packaging and labeling has not been altered or damaged*; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to LLR within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be Resalable. Items that are returned that are not Resalable will be donated to a charity selected by LuLaRoe and no refund or exchange will be issued.

”

*WE WILL WAIVE THE ORIGINAL PACKAGING REQUIREMENT IF THE PRODUCT WAS REMOVED FROM ITS PACKAGING TO BE PRESENTED FOR SALE. THE PRODUCT MUST STILL RETAIN ORIGINAL HANG TAGS. IF THE ORIGINAL HANG TAG HAS MARKINGS OR STICKERS, BUT THE PRODUCT REMAINS IN RESALEABLE CONDITION WE WILL ALSO WAIVE THE REQUIREMENT FOR THE LABELING TO BE UNALTERED.



Exhibit B

Suner, Victoria (ATG)

From: Amanda Mackay [REDACTED]
Sent: Tuesday, June 5, 2018 9:55 AM
To: Suner, Victoria (ATG)
Subject: Fwd: Corrected End of Year Report - 2017

Sent from my iPhone

Begin forwarded message:

From: LuLaRoe <no-reply@lularoe.com>
Date: January 29, 2018 at 1:47:58 PM PST
To: [REDACTED]
Subject: Corrected End of Year Report - 2017
Reply-To: LuLaRoe <no-reply@lularoe.com>

Corrected End of Year Report - 2017

[View this email in your browser](#)



END OF YEAR
REPORT 2017

Dear Amanda!!

Here is your 2017 Updated Year End Report:

ID	██████████
Name	Amanda Mackay
Gross Sales	\$5,571.64
Sales Tax Paid	\$340.67
Use Tax Paid	\$7.15
Processing Fees Paid	\$182.26
Wholesale Purchases	\$8,295.40

Here is a quick glossary of terms describing what each of the columns represents in your Year End Report:

Gross Sales – This is your retail sales which include Retail Sales in Old Bless (Audrey), New Bless (including wholesale transfers to other retailers and refunds), and the amount if you did the buy back for a canceled contract.

Sales Tax Paid – This is the amount of sales tax we collected and remitted to the various states.

Use Tax Paid – This is the total amount paid for use tax when an item was kept or given away (i.e. hostess give away and personal use).

Processing Fees Paid – This is the total amount of all fees for processing card transactions. This is the amount collected and paid for merchant services.

Wholesale Purchases – This is the dollar amount spent on purchasing inventory from LuLaRoe.

Please discuss any questions you might have about your financial reporting with your accounting and/or tax advisor.

If you have any questions regarding the figures shown above, please email eoyn@lularoe.com.

We hope you are amazing and are achieving the success you desire and deserve. Thank you from the LuLaRoe T.E.A.M.!



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EOY LuLaRoe

Our mailing address is:

LuLaRoe
830 E Parkridge Ave, Corona, CA
Corona, CA 92879

[Add us to your address book](#)

Want to change how you receive these emails?
You can [update your preferences](#) or [unsubscribe from this list](#)

Exhibit C

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: USPS - Click-N-Ship(R) Payment Confirmation
Date: Tuesday, May 22, 2018 2:37:49 PM
Attachments: [mime-attachment.png](#)
[mime-attachment.png](#)
[mime-attachment.png](#)
[mime-attachment.png](#)

Sent from my iPhone

Begin forwarded message:

From: USPS_Shipping_Services@usps.com
Date: January 3, 2018 at 2:45:27 PM MST
To: [REDACTED]
Subject: USPS - Click-N-Ship(R) Payment Confirmation



[Sign in](#) | [Shipping History](#) | [Manage Your Mail](#) | [Customer Service](#)

USPS-Click-N-Ship® Payment Confirmation

Thanks for shipping with us, AMANDA N MACKAY!

Additional information regarding your label(s) can be found in your [Shipping History](#). From your Shipping History you can Ship Again, track your package, or request a refund.

<mime-attachment.png>

Click-N-Ship® Payment Details

Acct #: [REDACTED]
Transaction Number: 424141106
Transaction Date/Time: 01/03/2018 03:37 PM CST
Transaction Amount: \$227.45
Payment Method: [REDACTED]

Priority Mail® 3-Day

9405 5036 9930 0164 3989 50 (Sequence Number 1 of 4)
Scheduled Delivery Date: 01/08/2018
Shipped to: LULAROE
LULAROE
11618 MULBERRY AVE
FONTANA CA 92337-7618

Priority Mail® 3-Day

9405 5036 9930 0164 3989 74 (Sequence Number 2 of 4)
Scheduled Delivery Date: 01/08/2018
Shipped to: LULAROE
LULAROE
11618 MULBERRY AVE
FONTANA CA 92337-7618

Priority Mail® 3-Day

9405 5036 9930 0164 3989 98 (Sequence Number 3 of 4)
Scheduled Delivery Date: 01/08/2018
Shipped to: LULAROE

LULAROE
11618 MULBERRY AVE
FONTANA CA 92337-7618

Priority Mail® 3-Day

9405 5036 9930 0164 3990 01 (Sequence Number 4 of 4)

Scheduled Delivery Date: 01/08/2018

Shipped to: LULAROE
LULAROE
11618 MULBERRY AVE
FONTANA CA 92337-7618

Learn more about requesting a refund online [here](#).



<mime-attachment.png>

Need help?

[Search FAQs](#)

1-800-ASK-USPS

[Privacy Policy](#)

<mime-

attachment.png>



usps.com

This message is for the designated recipient only and may contain privileged, proprietary, or otherwise private information. If you have received it in error, please notify the sender immediately and delete the original. Any other use of the email by you is prohibited.

Exhibit D

From: amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Return Received in Warehouse
Date: Tuesday, May 22, 2018 2:38:30 PM

Sent from my iPhone

Begin forwarded message:

From: Amanda Mackay [REDACTED]
Date: May 22, 2018 at 3:30:06 PM MDT
To: Amanda Mackay [REDACTED]
Subject: Fwd: Return Received in Warehouse

Sent from my iPhone

Begin forwarded message:

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: January 8, 2018 at 6:13:35 PM MST
To: [REDACTED]
Subject: Return Received in Warehouse



Hello Hello Amanda

We have received your shipment in our warehouse and our team will process the inventory in the order it was received.

Thank You,



Exhibit E

Suner, Victoria (ATG)

From: amanda Mackay [REDACTED]
Sent: Tuesday, May 22, 2018 2:40 PM
To: Suner, Victoria (ATG)
Subject: Fwd: Cancelled Return Pending Check Processing

Sent from my iPhone

Begin forwarded message:

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: January 9, 2018 at 9:54:26 AM MST
To: [REDACTED]
Subject: Cancelled Return Pending Check Processing



HELLO! HELLO!
THANK YOU FOR ALL YOU DO!

Hello Amanda,

Thank you for your continued patience as we work through the proper steps in the cancellation of your business. We have inspected all the items you returned and can confirm you are eligible for a total refund of \$3333.45. We have submitted a request to Accounting to mail you a check within the next two weeks.

Here is the breakdown of which item(s) were approved and which, if any, were denied:

Item #	Item Style	Item Size	Status
1	Leggings (Single)	T/C	Rejected - Not in Resalable Condition
2	Leggings (Single)	O/S	Rejected - Not in Resalable Condition

Item #	Item Style	Item Size	Status
3	Leggings (Single)	S/M	Rejected - Not in Resalable Condition
4	Leggings (Single)	L/XL	Rejected - Not in Resalable Condition
5	Disney Leggings (Single)	T/C	Approved
6	Disney Leggings (Single)	O/S	Approved
7	Lindsay	L	Approved
8	Lindsay	M	Approved
9	Lindsay	S	Approved
10	Cassie	XS	Approved
11	Cassie	S	Approved
12	Cassie	M	Approved
13	Cassie	L	Approved
14	Cassie	XL	
15	Lola	S	Approved
16	Lola	L	Approved
17	Randy	XS	Approved
18	Randy	S	Approved
19	Randy	M	Approved
20	Randy	L	Approved
21	Randy	XL	Approved
22	Randy	2XL	Approved
23	Gigi	XS	Approved
24	Gigi	S	Approved
25	Gigi	M	
26	Gigi	L	Approved
27	Gigi	XL	Approved
28	Gigi	3XL	Approved
29	Amelia	L	Approved
30	Amelia	XL	Approved
31	Nicole	XS	
32	Nicole	S	
33	Nicole	M	Approved
34	Nicole	L	
35	Nicole	2XL	
36	Nicole	3XL	

Item #	Item Style	Item Size	Status
37	Perfect T	S	Approved
38	Perfect T	L	Approved
39	Perfect T	XL	Approved
40	Disney Classic T	XS	Approved
41	Classic T	M	
42	Classic T	L	
43	Disney Carly	S	Approved
44	Perfect T	M	Approved
45	Classic T	XS	Approved
46	Classic T	S	
47	Classic T	M	
48	Classic T	L	Approved
49	Classic T	XL	Approved
50	Classic T	2XL	Approved
51	Julia	2XL	
52	Julia	XL	Approved
53	Julia	L	
54	Julia	M	Approved
55	Julia	S	Approved
56	Leggings (Single)	TWEEN	Rejected - Not in Resalable Condition
57	Julia	XS	Approved
58	Julia	XXS	Approved
59	Amelia	M	Approved
60	Nicole	XXS	Approved
61	Irma	XXS	Approved
62	Irma	XS	Approved
63	Irma	S	
64	Irma	M	
65	Irma	L	Approved
66	Irma	XL	Approved
67	Carly	L	Approved
68	Carly	XL	Approved
69	Carly	M	
70	Carly	S	Approved

Item #	Item Style	Item Size	Status
71	Carly	XS	Approved

Please let me know if you have any questions, and have a great LuLaRoe day!

CREATE. SERVE. STRENGTHEN. BLESS. DREAM.

Exhibit F

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Cancelled Return Pending Check Processing
Date: Tuesday, May 22, 2018 6:38:23 PM

----- Forwarded message -----

From: **Amanda Mackay** [REDACTED]
Date: Fri, Jan 26, 2018 at 10:31 PM
Subject: Re: Cancelled Return Pending Check Processing
To: LuLaRoe Home <lularoehome@lularoe.com>

Hi,

I was wondering what the status is of the check that was going to be sent off. We have moved houses so I am having my Mother in Law watch for it. So I just was wondering if it has been sent off or not. It said within two weeks so I was wondering if I should be watching for it. Thanks so much!

Amanda

Exhibit G

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:38:57 PM

----- Forwarded message -----

From: **Amanda Mackay** [REDACTED]
Date: Thu, Feb 1, 2018 at 2:33 PM
Subject: Status
To: cancellationstatus@lularoe.com

Hi,

I just wanted to send a quick email and see what the status was of my return. I know that everything made it to the warehouse and I was given a certain amount of what I will be getting back. I received that email January 9th and was told in the email that accounting would be sending a check within two weeks. Just wondering if that is still the case or if something came up. Thanks so much!



Amanda Mackay

Exhibit H

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:39:52 PM

----- Forwarded message -----

From: **Cancellation Status** <cancellationstatus@lularoe.com>
Date: Thu, Feb 1, 2018 at 2:38 PM
Subject: Re: Status
To: Amanda Mackay [REDACTED]

We apologize for the miscommunication. The email you received was an error. We do not have time frame for you to expect your reimbursement check. We have yet to issue any checks for those who fall under the 90% refund. We are working diligently to assist everyone who is cancelling business.

We apologize for the inconvenience.

--

cancellationstatus@lularoe.com



Exhibit I

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:40:49 PM

----- Forwarded message -----

From: **Amanda Mackay** [REDACTED]
Date: Thu, Feb 1, 2018 at 3:14 PM
Subject: Re: Status
To: Cancellation Status <cancellationstatus@lularoe.com>

Okay. I have had 0 issues with LuLaRoe whatsoever. I don't want to have any because I really have enjoyed the company. But I have had many people say that you guys have sent that email in error. I guess I just want to understand, what do you mean you haven't sent any out for people that fell below the 90%? Should I not be expecting a check? If that's the case I would of like to of known that before I sent everything back. I would of tried to sell more. I just didn't want to sell everything way under price so I didn't hurt those other retailers around me. I understand you have a lot of people cancelling so you are very busy. I just want to understand more. Thanks.

Amanda

Sent from my iPhone

Exhibit J

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:42:24 PM

----- Forwarded message -----

From: **Cancellation Status** <cancellationstatus@lularoe.com>
Date: Thu, Feb 1, 2018 at 3:23 PM
Subject: Re: Status
To: Amanda Mackay [REDACTED]

Hello Amanda,

You will be receiving a check for your returns. We currently are finishing up sending refunds to the consultants that returned for a 100% refund. Once they are reimbursed we will be emailing you a verification amount again and tell you that we are mailing out your check.

Thank you.

--

cancellationstatus@lularoe.com

| | |

Exhibit K

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:43:23 PM

----- Forwarded message -----

From: **Amanda Mackay** [REDACTED]
Date: Mon, Mar 26, 2018 at 10:38 AM
Subject: Status
To: cancellationstatus@lularoe.com

Hi

I wanted to know what the status of my check is. We are counting on that money and I'm not sure why I haven't received it. I am trying to be patient but it's getting a little frustrating. We just had a new baby which is the reason I quit. So we are counting on that for medical bills. Can I please have an explanation why I haven't received it. And when you expect to send it out.

Thanks

Amanda Mackay

Sent from my iPhone

Exhibit L

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:44:00 PM

----- Forwarded message -----

From: **Cancellation Status** <cancellationstatus@lularoe.com>
Date: Tue, Mar 27, 2018 at 2:24 PM
Subject: Re: Status
To: Amanda Mackay [REDACTED]

Hello!

Thank you for reaching out to us. We do not have a time frame for when your check will be processed, we issue them in the order we receive returns. Once your check has been issued you will receive an email notifying you.

We appreciate your patience.
Have a great day!

--

cancellationstatus@lularoe.com



Exhibit M

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:45:09 PM

----- Forwarded message -----

From: **Amanda Mackay** [REDACTED]
Date: Tue, Apr 17, 2018 at 11:26 AM
Subject: Re: Status
To: Cancellation Status <cancellationstatus@lularoe.com>

Hi

We are moving and I want to make sure when you do finally send it out it goes to the right address. How do I make sure you have the right one. Thanks.

Sent from my iPhone

Exhibit N

From: Amanda Mackay
To: [Suner, Victoria \(ATG\)](#)
Subject: Fwd: Status
Date: Tuesday, May 22, 2018 6:46:08 PM

----- Forwarded message -----

From: **Cancellation Status** <cancellationstatus@lularoe.com>
Date: Tue, Apr 17, 2018 at 1:16 PM
Subject: Re: Status
To: Amanda Mackay [REDACTED]

Please provide your address, so we can make sure we have the correct one in our system.

Thank you!

--

cancellationstatus@lularoe.com



Exhibit O

Suner, Victoria (ATG)

From: Amanda Mackay [REDACTED]
Sent: Tuesday, May 22, 2018 6:47 PM
To: Suner, Victoria (ATG)
Subject: Fwd: Status

----- Forwarded message -----

From: **Amanda Mackay** [REDACTED]
Date: Fri, May 4, 2018 at 4:24 PM
Subject: Re: Status
To: Cancellation Status <cancellationstatus@lularoe.com>

Hi just emailing again. It has been 4 months since I got an email saying I would have a check sent out in two weeks. This is getting to the point of me getting disappointed.. I have been trying to be patient but this is getting a bit ridiculous. My family is counting on that \$3000 that is supposed to be returned to me. I don't get what the hold up is. I need a better explanation than it is coming. Thanks.

Sent from my iPhone

|||

Exhibit P

Suner, Victoria (ATG)

From: Amanda Mackay [REDACTED]
Sent: Tuesday, May 22, 2018 6:48 PM
To: Suner, Victoria (ATG)
Subject: Fwd: Status

----- Forwarded message -----

From: **Cancellation Status** <cancellationstatus@lularoe.com>
Date: Thu, May 10, 2018 at 2:14 PM
Subject: Re: Status
To: Amanda Mackay [REDACTED]

Hello!

We do not have time frame for when a check will be issued, we process them in the order we receive returns. We are processing checks weekly. Once a check has been issued, you will receive an email notifying you.

Also, your mailing address has been updated.

We appreciate your patience.
Have a great day!

--

cancellationstatus@lularoe.com

Exhibit Q

Suner, Victoria (ATG)

From: Amanda Mackay [REDACTED]
Sent: Wednesday, May 30, 2018 1:34 PM
To: Suner, Victoria (ATG)
Subject: Fwd: Returns Form Completed [ref:_00D361G893._50036OjReA:ref]

Sent from my iPhone

Begin forwarded message:

From: LuLaRoe Home <lularoehome@lularoe.com>
Date: May 30, 2018 at 9:27:04 AM PDT
To: [REDACTED]
Subject: Returns Form Completed [ref:_00D361G893._50036OjReA:ref]



HELLO! HELLO!
THANK YOU FOR ALL YOU DO!

Hello Amanda

Thank you for your continued patience as we work through the proper steps in the cancellation of your business. We are pleased to advise you that Accounting has printed your check and is mailing it today. You will be receiving it shortly. Thank you for everything you did with LuLaRoe and we wish you the best of success in your future!

ref:_00D361G893._50036OjReA:ref

CREATE. SERVE. STRENGTHEN. BLESS. DREAM.

0300
GEGARVACGAEKHAT The Honorable Averil Rothrock
SO OAUWVY
UMUOUUUAUWUVASOUS
OESOO
OEJOMFEGEGECAUCE

STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

LLR, Inc.; LLR LULRAROE, Inc.;
LENNON LEASING, LLC; MARK A.
STIDHAM; DEANNE S. BRADY a/k/a
DEANNE STIDHAM; AND JORDAN K.
BRADY,,

Defendant(s).

NO. 19-2-02325-2 SEA

DECLARATION OF AMBER
CUOMO

I, AMBER CUOMO, declare as follows:

1. I make this declaration based on my personal knowledge and, if called upon to testify, I could and would testify competently to the matters described. My knowledge is based upon my direct personal involvement with LLR, Inc., a Wyoming Corporation, doing business as LLR LuLaRoe, Inc. ("LuLaRoe"). My retailer ID is [REDACTED].

2. I came to know of LLR from my friend who hosted a party with Nicole Foss, who was selling it. Around November of 2015, I attended a virtual pop-up party on Facebook. I attended and became interested in the product for personal consumption. At the time, Nicole Foss lived in neighboring Washington town at the time. I also attended an in-home party hosted

9e

1 by her. I became very fond of the product and was increasingly interested in the business because
2 she could see how easily Nicole sold it at both online pop-ups and in-home parties.

3 3. I inquired about the business opportunity with Nicole, and Nicole told me some
4 information about it. While I do not recall all of the verbal conversations, but I do recall Nicole
5 telling me, "The business can be as big or small as you make it." Nicole gave me an idea of
6 typical startup costs, considering both product and other misc. items such as hangers, racks etc.
7 Nicole also shared with me what her income was as a result of participating in LLR.

8 4. Nicole also sent me an email with typical FAQ, which addressed many of my
9 questions about the business opportunity.

10 5. In addition to speaking with Nicole, I went on YouTube and watched a few videos
11 of then successful IFRs, including one done by Betsy Thompson. It appeared that from these
12 videos that IFRs had been quite successful with their businesses.

13 6. I also visited LuLaRoe's website to research the business opportunity. I don't
14 recall seeing an income statement or looking at the retailer map, but I know eventually LuLaRoe
15 did put these materials on their website.

16 7. At the time, I was a stay at home mom with a 1.5 year old child. I was attracted
17 to the idea that I could succeed with LuLaRoe without building a team. I joined because I was
18 confident in ability to sell and wanted to have a community of female friends. I liked the clothing
19 and the confidence and comradery the company was advertising. I had some direct selling
20 experience and hoped to make \$1,000 a month net, which I thought meant I would have to sell
21 about \$2,000 per month.

22 8. I recall the LuLaRoe slogan "part time work, full time pay" and that to meant I
23 could make good money working part-time, 20 hours or less.

24 9. Based on information I had learned about LuLaRoe, I concluded it was an
25 exceptional opportunity. I decided to join LuLaRoe and purchased the onboarding package,
26

1 which cost me around \$5000. At the time I signed up, there was no wait. I received a call within
2 one or two days to onboard.

3 10. I did have concerns about market saturation, but those concerns were alleviated
4 because I learned that everyone got different prints. My upline told me it wouldn't matter if
5 there were 10 sellers in my neighborhood because everyone gets different prints. I also
6 remember that being emphasized in YouTube videos.

7 11. I took out a personal loan in order to finance my initial inventory purchase. While
8 my husband was initially skeptical, I had heard from Nicole and others that I could recoup my
9 investment within 6-8 weeks.

10 12. I joined LuLaRoe in January 2016.

11 13. When I first joined, I recall being able to choose the styles I wanted but not sizes
12 and prints. At the time, there were no set onboarding packages. With my onboarding package,
13 I received a box of promotional activities and organizational tools. The box contained markers,
14 a spiral book called the dream book, pamphlets for marketing, pop up invitations, a planning
15 calendar and thank you cards.

16 14. Because LuLaRoe typically didn't allow IFRs to pick prints, I and other IFRs
17 often participated in inventory swaps. I typically did them in person meet-up locations or groups
18 that I found through Facebook IFR groups, such as Snohomish County Fashion Consultants.

19 15. Typically, out of inventory I received from LuLaRoe, I would swap about half
20 my inventory. When you order from LuLaRoe, you have no control over what print you would
21 get. There were times, for example, that I ordered 5 medium classic tees and I received 5 of the
22 same print. I had no variation, and so I could only show my customers tee, so I would swap to
23 get "fresh" inventory.

24 16. I did this to keep my inventory "fresh" because I typically did online sales, and if
25 I kept putting up the same styles that didn't sell I would lose customers.

1 17. For capsule, which is seasonal merchandise, there was less choice as to inventory.
2 When I first started you could specify size and pattern for capsules, but in 2017, LuLaRoe started
3 doing pre-packaged capsules, where they disclosed the style and size but not the print. A lot of
4 my customers were plus size, and so for example if I got a lot of small sizes in the capsule, I
5 would go to swap groups to get bigger sizes.

6 18. The LuLaRoe Bless platform and App facilitated transfers, and allowed me to
7 invoice other IFRs for inventory swaps.

8 19. LuLaRoe also had a minimum purchase requirement. Originally it was 33 pieces
9 per order, but then LuLaRoe lowered it to 15 pieces per order.

10 20. If I got defective merchandise, I could make a claim for it and LuLaRoe would
11 provide me with replacement pieces.

12 21. If I ordered and there were backorders and LuLaRoe was unable to ship all the
13 pieces I ordered, I would get a back office credit, which could be applied towards a future order.
14 To make a future order, I would have had to order the minimum. As a result, even though I am
15 no longer a LuLaRoe consultant, I still have a "credit" for defective merchandise in Build. I
16 cannot get a refund for that credit.

17 22. I had out of pocket expenses aside from inventory as part of my business. For
18 example, I bought an enclosed trailer – which cost me about \$2700 – to carry my inventory on
19 the weekends to different events. On a monthly basis, I probably spent about \$200-400/month
20 out of pocket, excluding gas, for expenses such as shipping, hangers, event fees, labels, and
21 office supplies.

22 **Joining the Leadership Bonus Program**

23 23. I never intended to recruit anyone, but a few women reached out to me because
24 they wanted to join LuLaRoe. Initially I referred them to my upline, Nicole Foss, who would
25 refer them to Joelle Day, her sponsor. Joelle would then decide who within the team should
26 sponsor them.

1 24. After referring my first few people to my sponsor, my sponsor encouraged me to
2 join the Leadership Bonus Plan. In May 2016, I sponsored my first IFR. I did, and Joelle began
3 assigning me recruits. I knew that Joelle assigning me recruits benefited her financially. I also
4 knew that it was part of Joelle's larger plan to move up the ranks quickly. Because of the way
5 the Leadership Bonus Plan worked, strategically assigning recruits made it possible for Joelle to
6 achieve a higher rank faster. It also allowed me to achieve a higher rank, which meant a jump
7 in commission percentage.

8 25. Once I reached 10 recruits (Trainer status), Joelle started assigning recruits to
9 another IFR on my team, repeating the process. Both the IFR benefited from the increased
10 commissions of their newly added IFR and Joelle benefited by moving to higher commission
11 tier. This is how Joelle achieved the rank of Mentor quickly because she moved people around
12 or assigned people in a fashion that all the criteria needed for her to jump ranks were met. I
13 recall Joelle commonly reaching out to the leaders in her downline and ask, "who is your
14 strongest team member?" Then she would assign that person new IFR's so that person would
15 jump a rank meaning it got Joelle one step closer to jumping a rank.

16 26. Of the people in my downline, I only personally recruited four people whom I
17 felt a strong connection with and felt I could lead well. The rest were assigned to me by my
18 upline.

19 27. I became a trainer in June 2016, and a Coach in a little more than a year around
20 March 2017 after I joined. Nicole Foss, my sponsor, also achieved Coach status, and Joelle
21 eventually achieved Mentor status.

22 **Coaches Calls and Other Leadership Trainings**

23 28. As part of joining LuLaRoe, once a week, I listened to calls hosted by Mark
24 Stidham and DeAnne Brady, who were the owners of LuLaRoe. I would also listen to weekly
25 team calls hosted by other IFRs who were my upline. I attended these to get to know the
26 happenings of the Home Office. They were structured so that you would hear from all the

1 important people. Deanne would hype us up about sales. Mark would often discuss financials.
2 Patrick Winget would often discuss product.

3 29. When I became a leader, I was also expected to attend weekly Coaches Calls,
4 where Home Office would give us updates and direction on how to direct and train our
5 downlines. About half the time during the calls, LuLaRoe would encourage us to recruit more
6 IFRs. For example, they would tell us to share the opportunity, share your success, and use
7 hashtags like of #becauseofllr or #livingyourwhy. I understood we were to share these messages
8 of positive experiences as a result of LuLaRoe to get people to get people to join LuLaRoe.

9 30. On one coaches call, DeAnne talked about how she always wanted a Mercedes,
10 and that because of LuLaRoe she was able to achieve that dream. DeAnne would say things like
11 "if you go on vacation, post it" on social media. I understood as a coach, I was expected to do
12 the same.

13 31. During another coaches call, I recall that DeAnne talked about the "part-time
14 work full-time pay". DeAnne explained that once you had a team, the opportunity was no longer
15 a part-time job, it was now a full-time job because part-time is only for your business and
16 maintaining personal business. The other part-time would go towards managing your team.

17 32. I was also expected to attend leadership events, about four times a year. While
18 attending was not stated on any written policy as being mandatory, DeAnne would often say
19 "We are paying you a bonus, so you better bet there." The message from DeAnne was "If you
20 don't attend the trainings you won't get your bonus checks for that quarter." The trainings took
21 up a lot of time, and it became very difficult to work part-time because those. They became a
22 point of contention in my marriage.

23 33. I did qualify for coaches retreats, but never attended because it would have cost
24 me a few thousand dollars out of pocket to attend.
25
26

1 34. As part of my role as a leader, I understood that I was supposed to answer any
2 questions that my downline might have, and communicate messages that came from Home
3 Office to my upline to my downline.

4 35. I recall that one of the training calls, Home Office asked us to take photos of ^{our} ~~their~~
5 bonus checks and share those with their teams, and to tell their downlines to do the same. As a
6 leader, I was encouraged to be "transparent" with how successful I was as a result of LuLaRoe,
7 which I understood to mean to share how much I made. I felt uncomfortable doing this and
8 while my sponsor, Nicole never forced the issue with me specifically, I often felt pressure from
9 her sponsor, Joelle Day, who was a Mentor to make lifestyle claims or to be very public about
10 my earnings. Joelle would often ask me if I was "sharing the opportunity". I understood that this
11 was a covert suggestion to talk about bonuses in an effort to recruit more.

12 36. While I was a LuLaRoe, there would often be messages that I needed to carry a
13 "sweet spot" quantity of inventory to be successful. I learned initially from my sponsor this
14 should be 600-800 pieces of inventory. Over time, the "sweet spot" became 800-1200 pieces.
15 Although no one told her to relay these numbers specifically to my downline, I did because I
16 understood it to be an expectation of being a Coach. I came up with this understanding because
17 on Coaches calls, Home Office would often say things that we needed to "get water to end of
18 the road", that is make sure that leaders were passing Home Office messages to their downlines.

19 37. I also recall DeAnne Brady specifically during trainings that we needed to carry
20 5 of each style of size. Eventually, I recall DeAnne changing encouraging IFRs to carry 10 of
21 each style and size. This was something that as a Coach, I was expected to repeat to my
22 downline.

23 38. Generally, during Coaches calls, we were encouraged to encourage our teams to
24 buy more. Deanne spun it as, "When they buy more product then they have more to offer. When
25 they have more to offer, they will be more successful. When your team is successful then you
26

1 are successful.” Now, I understood DeAnne’s message to mean that when your team buys, your
2 bonuses will be better, and LuLaRoe would make more money.

3 39. LuLaRoe would also encourage us to post on social media. For example, in July
4 2018, during a Leadership conference, I recall Lindsey Wheeler giving a presentation about the
5 use of hash tags and social media. This training, I recall being told to use hashtags referencing
6 LuLaRoe at least once a day. The theme was that we should share our experiences with LuLaRoe
7 and say that we were able to live our lifestyles because of LuLaRoe. During the Coaches calls,
8 they instructed the same, adding that we were the leaders and we had to set the example to their
9 teams.

10 40. LuLaRoe’s website often had retailer map that showed active IFRs. As an IFR I
11 knew the map was not accurate and did not include every IFR. My understanding that the map
12 was for customers to connect with retailers. During a call with Home Office, I questioned the
13 accuracy of the number of IFRs on the map. I was told by DeAnne that it was not LuLaRoe’s
14 responsibility to list every IFR, rather it was the IFR’s responsibility to fill out the forms to get
15 placed on the retailer map. I recall a similar information being mentioned on the webinars.

16 41. LuLaRoe would make “field reports” available on a monthly basis to leaders. In
17 early field reports, I could see not only my bonuses and what my downline was ordering but
18 everyone else’s bonuses. I believe that LuLaRoe shared information about what other people
19 were making in bonuses as a motivation tactic to encourage leaders to recruit more and have
20 their teams order more because bonuses were based on a percentage of everything your team
21 purchased. Eventually, LuLaRoe made the field reports available in Build, and it was limited to
22 my own data.

23 **Change in the Leadership Bonus Plan**

24 42. I first learned about the new bonus structure at the Leadership Conference which
25 I attended in California in May 2017. During that conference, Mark announced that bonuses
26 would be paid based on sales to end consumers as opposed to purchases. Mark announced that

1 the reason for the new bonus plans is it would teach us how to be better leaders; if teams had to
2 sell more, it meant that leaders were teaching their teams more.

3 43. As a result of the change in Leadership Bonus Plan in July 2017, my bonuses
4 dropped from about \$5000 per month to less than \$1000 per month. The change affected my
5 income significantly.

6 44. I also recall a further change to the Leadership Bonus Plan that occurred April 1,
7 2018.

8 **My Decision to Quit LuLaRoe**

9 45. I decided to quit LuLaRoe after the Noir launch in November 2017. LuLaRoe
10 often held limited edition launches of merchandise. The Noir line was black leggings, which are
11 very sought after by IFRs because they are in high demand by consumers. At the time, LuLaRoe
12 had announced they were going to limit the quantity that IFRs could purchase, so that all IFRs
13 had a fair shot of getting them. But the launch sold out in minutes, and soon a few IFRs posted
14 that they had received thousands of pairs of black leggings. There was significant backlash from
15 IFRs who didn't get anything during the launch.

16 46. The Noir incident made me lose faith in the company. It changed my view of the
17 company. I had always thought they were acting in the best interests of the IFR as they said they
18 did. I realized that they were only acting in their own self-interest.

19 47. Additionally, there were a lot IFRs who had joined who weren't making the
20 income that they expected to make. I knew that as part of recruiting, the company had making
21 certain claims about how much income could be made by participating in LuLaRoe. This was
22 often repeated by high level leaders, as it was the expectation that Leaders repeat the messages
23 of Home Office to their downlines. As a Coach, it was difficult to deal with the aftermath of
24 these unsustainable promises. During Leadership in May 2017, two women left my downline
25 because they did not make the income they thought they were going to make. I remember crying
26

1 because even though I was not the one who made the income claims, I felt responsible for their
2 losses.

3 48. Another factor in my decision to quit was that it had become harder and harder to
4 sell at retail due the number of IFRs who had joined LuLaRoe. When I first joined LuLaRoe,
5 the quality of the merchandise was good and brand had a good reputation. From January 2016
6 to 2017, my sales were steady. As time went on, however, many of my customers had become
7 IFRs. When this happened, I both lost a customer and had to compete for their customers. With
8 so many IFRs selling LuLaRoe, it became much harder to sustain the type of business I had the
9 year before.

10 49. Further adding to the difficulties of the business is that LuLaRoe suffered a hit to
11 its brand with defective merchandise in early 2017. The defective merchandise affected
12 LuLaRoe's reputation significantly. There was a lot of negative publicity regarding the
13 company. This impeded my ability to sell LuLaRoe merchandise at retail. In February 2017,
14 around the Valentine's Day launch, I received significant defective leggings. Leggings were the
15 most popular item at the time, and when those came out it greatly affected my sales. I know from
16 my interactions with other IFRs the defective merchandise affected their retail sales as well.

17 50. All these factors contributed to my decision to leave LuLaRoe.

18 **Cancelling My Business**

19 51. In the Spring 2017, LuLaRoe announced it was changing its 90% buyback policy
20 to 100%. I recall Home Office saying it specifically it would never go away. However, a few
21 months later, the company changed the return criteria, making it difficult for many IFRs to return
22 their merchandise. In addition to the requirement to the personally purchased criteria, which
23 made it impossible to get refunds for swapped merchandise, LuLaRoe said the merchandise had
24 to be purchased within the last year. Seasonal merchandise that was purchased in capsules was
25 also excluded.


52. I had heard from other leaders that LuLaRoe was deducting retail sales and bonus amounts from the refunds. As such, I did not believe that if I sent my merchandise that qualified for return under the stricter guidelines that LuLaRoe honor the 100% or even the 90% refund.

53. As such, I decided to stop ordering but did not cancel, and tried to sell off my inventory. At the time, I had about 1300 pieces of inventory. I tried to sell as much inventory as I could. I discounted 30% off retail, and then 40% off retail, and eventually 50% of my retail (at the cost I had purchase the merchandise for). I joined groups where I would pay \$1-2 to the admin per item sold. With those discounts and efforts, I was able to sell 800 pieces for roughly \$5000.

54. I then donated the remaining 500 pieces to Everett Gospel Mission. Everett Gospel Mission was grateful for the donation and informed me that I was the second IFR who was donating their entire inventory.

I declare, under penalty of perjury under the laws of the State of Washington, that the foregoing is true and correct.

DATED this 4 day of February, 2020, at Seattle, Washington.


Amber Cuomo

1 4. I am a Child Passenger Safety Technician. I work part-time in this position. I
2 worked in this capacity during my time with LuLaRoe.

3 5. I came to know of LuLaRoe from Lauren Romero ("Lauren"), an IFR in a moms'
4 group that I belong to. Lauren had recently become an IFR and was sponsored by Alexandra
5 Laigle ("Alexandra"), a top Mentor with LuLaRoe.

6 6. To learn more about the business opportunity, I looked at LuLaRoe's website. I
7 also watched other IFRs sell LuLaRoe clothing online.

8 7. Lauren told me that Alexandra often answered the questions I posed to her about
9 the business opportunity, which Lauren would then communicate answers back to me. This made
10 sense because Lauren was new to LuLaRoe. At times, I would converse directly with Alexandra
11 for questions. It was my understanding that the Mentors are in direct contact with LuLaRoe
12 Home Office and responsible for communicating or disseminating information to their teams. I
13 believed any information given to me regarding the business opportunity by my sponsor or her
14 upline was accurate and authorized by LuLaRoe Home Office and relied on that information.

15 8. Lauren told me the business was easy, there was a quick turnaround of
16 merchandise, and it was suitable for moms who wanted a work-life balance. Lauren told me she
17 made her initial investment back within a couple of months. Lauren also stated she was selling
18 on average \$7,000 during each online sale and worked part-time. Alexandra stated she was
19 selling over \$100,000 a month, but was working full-time to achieve those results and she
20 stressed that her large inventory generated those sales. I knew from talking to Lauren that roughly
21 50 percent of their sales was cost of product, hence I could infer their income from LuLaRoe.

22 9. I sent Lauren an email with some of my questions and concerns and she
23 responded with some general answers. She wrote, "It has been a game changer for us financially
24 - by the end of this summer we expect to have our car paid off three years early!" I forwarded
25 this email to the Office of the Attorney General, a copy of which is attached as Exhibit A to this
26 declaration.

1 10. In her email, Lauren also assured me that LuLaRoe was nowhere near saturation,
2 stating, "One big fear for a lot of people is over saturation. Sure, that may happen one day, but
3 I don't think it will happen anytime soon."

4 11. I also spoke directly with Alexandra, who was a Mentor. Alexandra told me there
5 were less than 100 IFRs in Washington.

6 12. Lauren also provided me with a copy of some materials from her team page
7 Grace Charm and Hustle. I still have a link to the documents which I sent by email to the
8 Office of the Attorney General, a copy of which is attached as Exhibit B.

9 13. The Grace Charm and Hustle materials had information about the business
10 opportunity generally, as well as the application to become an IFR. Among other things, it
11 contained tips about how to start your LuLaRoe business, information about who to follow on
12 Instagram (which included DeAnne Brady's Instagram), weekly conference calls, the 72-Hour
13 Game Plan, Pop-Up Boutiques, a handout about "What to Expect" from LuLaRoe and your
14 Sponsor, information about how to "Get Paid to Sponsor & Train Future Successful
15 Consultants," and social media guidelines and tips. I sent these materials to the Office of the
16 Attorney General, a copy of which is attached to this declaration as Exhibit C.

17 14. Alexandra assured me that I could duplicate Lauren's sales working part-time,
18 which I understood to be an official marketing message about the business opportunity from
19 LuLaRoe. Alexandra also told me about the 90% refund through LuLaRoe's Cancellation of
20 Business Policy as a safety net if I chose to leave LuLaRoe. These factors greatly affected my
21 decision to join. Working part-time was a strong consideration because I had two very young
22 children at the time.

23 15. Based upon the information I received from Lauren and Alexandra, the emailed
24 documents and information I received from Lauren, and watching IFRs sell online, my
25 expectation of income was that I could make \$5,000 a month working 20 hours a week. It was
26

1 important that I be able to maintain a work-life balance with my children and I chose LuLaRoe
2 because it appeared profitable even working part-time.

3 16. After I submitted my application to join LuLaRoe, I was placed in an onboarding
4 Queue. I was onboarded less than a month after I submitted my application.

5 17. With my initial onboarding order, in addition to inventory I had purchased, I
6 received a Starter Kit, a box of promotional materials from LuLaRoe. To the best of my
7 recollection, that Starter Kit included invitations to host pop-up parties, a pamphlet about
8 LuLaRoe products, a "Join the Movement" brochure, the 72-Hour Game Plan, and a poster board
9 that said "WANT TO EARN FULL-TIME INCOME FOR PART-TIME WORK? ASK ME
10 HOW!" I understood that LuLaRoe provided the poster board to be put out at sales to help
11 promote the business opportunity. I provided the original "Join the Movement" brochure and
12 "Full-Time Income for Part-Time Work" poster board to the Office of the Attorney General,
13 copies of which are attached to this declaration as Exhibit D.

14 18. I initially financed the LuLaRoe business with about \$10,000 that I borrowed
15 from my mother. My initial package of clothing was nearly \$5,000. Additionally, I spent about
16 \$2,500 for hangers, racks, print material and other start-up items.

17 19. During my time with LuLaRoe, I was induced to constantly buy more inventory
18 through the Home Office weekly webinars and my upline. I remember phrases like "the more
19 you have the more you sell," "if sales numbers are down it's because you don't have new and
20 exciting items to show your customers," and "buy more inventory." The minimum order was 33
21 pieces and there was a requirement to order monthly. Katie Mooney ("Katie") was the lead
22 Mentor in my upline and she often emphasized buying more was the key to success. Our
23 T.E.A.M. name was Grace Charm Hustle. Katie suggested we carry a minimum of 10 of each
24 style and size. Katie also stated that the successful consultants carry 800-1000 pieces. I
25 understood that team mentors were supposed to provide their teams with the training needed to
26

1 be successful. I concluded that any information or recommendation from my upline was business
2 advice from LuLaRoe Home Office.

3 20. Their directions regarding carrying large amounts of inventory influenced my
4 decision to always buy more, regardless of what I was selling or not selling.

5 21. Because of that same direction regarding large inventories equaling success, I
6 continued to use a credit card to buy more. Additionally, I reinvested any profit I made from
7 retail sales into more clothing without taking any salary out for my time. I recall Deanne Brady
8 speaking on the topic of reinvesting profits to grow the business as well.

9 22. During my time with LuLaRoe, I continually experienced issues with back orders
10 and damaged items. On average, each of my orders would be missing about 7 pieces.
11 Additionally, on average, I received approximately 10 defective items per box of 33. This was
12 problematic because LuLaRoe only issued Back Office credits for back ordered and damaged
13 goods, meaning I would need to place another minimum order of 33 to use that money. My
14 understanding was that I could not get a cash refund for those backorders. The backorders also
15 put financial hardship on me because I had already made payment to the company, but did not
16 receive any merchandise for it.

17 23. Another challenge I faced was the non-salability of certain prints. Although
18 LuLaRoe says "everything sells," it was my personal experience that on average 30% of every
19 order of non-defective merchandise I received did not sell because the prints were not desirable.
20 My upline told me to wear the non-sellable pieces to attract customers to it. However, I would
21 then need to sell a worn garment and I was not comfortable with doing that and I didn't. I was
22 not able to sell 50% of the garments from my initial purchase. When I expressed concern about
23 the prints to my Sponsor, she said it takes time to build a customer base and I should build my
24 inventory to have a variety for my customers. I often received multiple duplicates of prints even
25 though LuLaRoe represented that prints were limited edition and run in small batches.

1 24. One time, I received a box of inventory where about 50% of the garments were
2 moldy. I filed a damage ticket and LuLaRoe did nothing. I complained to Lauren, my sponsor,
3 who stated she had issues with moldy items too. At first she suggested I air them out to possibly
4 kill the mold. I tried that and it didn't work. Lauren then informed me that all we could do was
5 file a ticket with LuLaRoe Support, a customer service department at LuLaRoe designated for
6 these types of issues. I never received a refund or credit for the moldy clothing. I still have them
7 in bags along with the other unsold items.

8 25. In total, I purchased nearly \$16,000 of wholesale garments directly from
9 LuLaRoe before I recognized that my desire to grow my inventory and "be successful" was
10 putting my family in financial distress. I believe I only sold about \$2,000 of those wholesale
11 garments, leaving me with about \$14,000 of wholesale merchandise. I never purchased any
12 LuLaRoe garments from other wholesalers and I did not swap garments. I processed all my sales
13 transactions through Bless.

14 26. I decided to leave LuLaRoe because it was not profitable for me.

15 27. I was tired of the lack of support from my upline and LuLaRoe for all the
16 problems I was facing with my inventory. Additionally social media was full of bad publicity
17 surrounding LuLaRoe's defective leggings and LuLaRoe's failure to reprimand an IFR who
18 publicly made fun of a developmentally delayed person. I didn't want to be associated with
19 LuLaRoe's company name or those products. I lost interest in continuing to be an IFR with
20 LuLaRoe.

21 28. Around that time, my upline Mentor Katie May Mooney had posted an article on
22 our Facebook T.E.A.M. page that LuLaRoe was not accepting returns because they were backed
23 up from exiting consultants. She suggested that those of us who wanted to leave should sell our
24 inventory wholesale to other consultants. This influenced my decision not to try to participate in
25 the Cancellation of Business refund policy even though I joined LuLaRoe in part because of the
26

1 90% refund. I had relied on that as a fall back, and then saw women around me not being paid
2 wholly or timely.

3 29. At that time, I had approximately 750 pieces that I had purchased from LuLaRoe
4 with an average cost of \$18.00 a piece, a total value of approximately \$14,000 wholesale.
5 Because of Katie's message, which I understood to be official messaging of Home Office that
6 they were not accepting returns, I tried to sell them to other consultants but no one wanted them.
7 Anyone who expressed interest in the merchandise, wanted to pay nearly nothing for it. I
8 resolved to put the garments in my attic and try to sell them later when the market was not
9 flooded with LuLaRoe garments. That day never came, as they continued to lose value. All the
10 garments are still in my attic. I see women posting garments for pennies of what I paid for them
11 wholesale. I don't stand a chance on selling my garments at cost. After not placing any new
12 orders LuLaRoe advised me that my status had been changed to inactive. I did not ever request
13 a formal cancellation of business.

14 30. I feel deceived and misinformed by LuLaRoe regarding the time and effort they
15 said it would require to be successful. The true time and effort behind the scenes was not
16 disclosed or accurately represented. I also feel deceived regarding the quality of product they
17 told IFRs they manufactured and what I actually received.

18 31. I also feel deceived regarding how much support LuLaRoe would offer its IFRs
19 who signed up for the program. I was led to believe by Alexandra and Lauren that once I joined
20 LuLaRoe I would receive training in marketing and sales as well as support from the Home
21 Office for any issues. Page 4 of the Team Grace Charm and Hustle materials that I was sent
22 before I joined LuLaRoe lists "What You Can Expect Of Us." See Exhibit C. I relied on those
23 promises, and LuLaRoe didn't live up to many of their promises to me as outlined in this
24 document. In reality, LuLaRoe just loaded me with damaged and unsaleable inventory, and then
25 blamed me and all IFRs if product was not selling. In my experience, once LuLaRoe sold you
26 the garment, it was their gain and your problem.

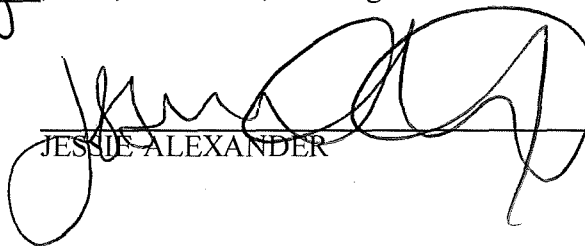
1 32. When I consider the unsold garments and the additional costs such as
2 personalized promotional items, giveaways, supplies, gas to and from pop-ups I estimate
3 LuLaRoe set my finances back by at least \$20,000. This calculation does not account for the
4 hundreds of hours I worked without drawing a salary for my time. I lost money and suffered
5 financial hardship as a result of my time as a LuLaRoe IFR.

6 33. My family life was also affected. Joining LuLaRoe caused lots of tension between
7 my husband and me, both for the debt it put my family in and the time it took away from my
8 family. It was the worst decision I ever made. I was trying to do something positive and
9 contribute to our finances and it was a complete failure. LuLaRoe presented the company and
10 the business opportunity as family oriented, caring for us the IFRs, and as an avenue to financial
11 freedom, but in my experience it was all complete lies.

12 34. I declare, under penalty of perjury under the laws of the State of Washington, that
13 the foregoing is true and correct.

14 DATED this 9th day of July, 2020, at Tacoma, Washington.

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JESSIE ALEXANDER

Exhibit A

From: Jessie Padilla [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: LLR INFO

Date: 2020-03-04 14:02:23 -0800

Importance: Normal

Jessie Padilla
[REDACTED]

Begin forwarded message:

From: Jessie Carmel [REDACTED]

Date: June 25, 2016 at 3:19:58 PM PDT

To: Lauren Romero [REDACTED]

Subject: Re: LLR INFO

Hi Lauren and Andy!

I have a few more questions for you in regards to opening up your LLR business. What are some of the challenges that you two have faced so far? Financially, how has the return on your initial investment into the company turned around, or grown? I'm sure I have a few more, but I'm baby brained right now! Oh! How is running your business with Porter around going for you? Any challenges with that? I've got two silly but needy littles, and don't want us to get started and end up in over our heads.

Thanks for your quick response,

Jessie and Jose

Sent from my iPhone

On Jun 25, 2016, at 10:25 AM, Lauren Romero [REDACTED] wrote:

Hey Jessie!!

I'm going to give you a bit of an overview of LLR's business opportunity in the email as well as providing a link from our team site that takes you to a downloadable PDF that goes over many of the basics.

LuLaRoe is such an amazing opportunity that I am so grateful I jumped head first into. If you are interested in knowing my raw numbers, I am more than willing to share. It has been a game changer for us financially. It has been a game changer for us financially- by the end of this summer we expect to have our car paid off three years early!

I was following the LuLaRoe tread closely the past few months and saw that they were exploding in popularity. To give you an idea of the numbers, during their first year of business (2013), LuLaRoe did \$3 million dollars in sales. In 2014, LuLaRoe did \$9.8 million dollars in sales. LuLaRoe will hit over \$55 million dollars in sales for 2015 and is on track to hit a billion dollars in sales within the first 5 years of business. Those numbers are crazy! One big fear for a lot of people is over saturation. Sure, that may happen one day, but I don't think it will happen anytime soon. Each time someone signs up, it pretty much just means more local customers for us since they end up converting their friends and their friends make their way to all of our pages.

LuLaRoe costs around \$5,000 to get started. I know this number is scary at first as it's a HUGE investment. It's not a fee however; it's literally the wholesale cost of about 300 pieces. AND I'll add-- you pay NOTHING up front. So if you decide to change your mind before onboarding, no harm no foul.

The link below w/ the downloadable PDF includes a business overview that details your options for initially getting started (the exact amount depends on how much inventory you want to get started with). Currently there is a standard package for all onboarders with all the top sellers (all items I HIGHLY recommend). We can talk more about that if you're still interested in signing up. I'd love to guide you through the steps!

Here is the link: <http://gracecharmandhustle.com/become-a-lularoe-fashion-consultant>

Please let us know any questions that you may have. We are a total open book and happy to answer any questions you have!

Thanks!

Lauren and Andy



Exhibit B

From: Jessie Padilla [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: 062816-JoinLuLaRoe.pdf - Google Drive

Date: 2020-03-04 14:21:05 -0800

Importance: Normal

[REDACTED]

Jessie Padilla
[REDACTED]

Exhibit C



JOIN LULAROE

TEAM GRACE CHARM AND HUSTLE



START

A Quick Guide to
Jumpstart Your
Business

CONNECT

The 411 on the
LuLaRoe social
network

GROW

Challenge
Yourself to
Succeed

ALSO INSIDE

- Fundraising for Profit
- Leadership Bonus Plan
- Why Pricing Matters



STEPS TO BECOMING A CONSULTANT

- 1) Read thoroughly through this PDF
- 2) Chat with your sponsor (e-mail gracecharmandhustle@gmail.com if you don't have one yet and want to be matched with one on our team).
- 3) Create your LuLaRoe Specific E-mail account: must be LuLaRoeFirstLast@Gmail.com.
Ex: LuLaRoeJaneDoe@Gmail.com
- 4) Ask your Sponsor for their specific "Join Link" & fill it out. This will create your Audrey account. Your "Public ID" must be your full name, as one word, in all lowercase.
- 5) Print out the Independent Consultant Agreement (can be found inside this PDF).
- 6) Fill out the Independent Consultant Agreement clearly, carefully & completely.
- 7) Scan or take a cell phone photo of the following 2 documents:
 - 1) The signed and/or filled out pages of the Consultant Agreement
 - 2) Either a voided check or a direct deposit form for the bank account you will use to receive deposits from LuLaRoe. This check should match the information you input when creating your account in Step 4.
- 8) E-mail ALL documents in ONE E-MAIL to onboarding@LuLaRoe.com from the e-mail you used to create your Audrey account (the one you made in Step 3). If choosing a package, specify within the e-mail which package you are choosing.
- 9) Tell your sponsor you e-mailed in your docs, ask them to add you to Queue Groups.
- 10) Within 10 business days you should receive an e-mail from Onboarding notifying you that your documents have been received.
- 11) Your name will be added to the queue and when it is your turn you will receive a call to place your Initial Order over the phone. Ask your sponsor for estimated wait time.
- 12) Let your Sponsor know your order has been placed and you are now officially a LuLaRoe Consultant so they can celebrate with you!

INSTAGRAM ACCOUNTS TO FALL IN LOVE WITH



@LULAROE

This is the main LuLaRoe Instagram account run by the company. Here you can find amazing inspiration on styling your LuLaRoe. When you post an amazing image, tag @LuLaRoe in the caption and they might repost it!



@DEANNELULAROE

DeAnne Stidham is the owner of LuLaRoe and the company's "Head Dreamer". Follow her to see her gorgeous outfits, fun adventures and beautiful family life. She is an amazing woman!



@LULAROEPRO

Patrick Winget is LuLaRoe's talented designer. He has designed for many celebrities and has a commitment to ethical manufacturing and high quality. Follow him for peaks into the LuLaRoe factory & upcoming products.

WEEKLY CONFERENCE CALLS

HOME OFFICE UPDATE: Participate in the weekly company update conference call or webinar held on Tuesdays at 10:00am PST. You will receive an e-mail about these, but it is helpful to set a recurring alarm on your phone so you don't miss them. They are often also put on the back office for you to listen to later, and update e-mails are sent out regarding what was shared. However, exciting announcements regarding changing policies, new inventory, fun contests and a weekly update from LuLaRoe's designer Patrick Winget are all a part of this important call. They usually only last 20-30 minutes.

TRAINING WEBINAR: Tuesdays at 1:00pm PST there are training webinars. I recommend also setting an alarm on your phone to remind you to watch these. These calls are often lead by successful consultants or Home Office Staff who want to help you succeed! The information and wisdom passed along in these phone calls can't be beat and will help you be as successful as you can. Invest in your business and participate in these amazing opportunities to learn!

GOOD THINGS COME TO THOSE WHO HUSTLE

WA-AG-006134



You're New! Here's What We Expect of You

We believe that you can hit a target only if you can see it! For that reason, we offer you this concise overview of what we expect of you. Of course, we won't ask for your commitment until you know what you can expect of your sponsor and us.

What You Can Expect Of Us

- We will provide you with a warm welcome
 - We will put your needs first; if you succeed, then we succeed
 - We will always provide the highest quality products that meet exacting standards
 - We will promptly and accurately process and ship your order
 - We will promptly and accurately compute and send commissions and payments
 - We will operate responsibly in social, financial, business, and relationship functions
 - We will give you prompt, consistent, courteous, competent service whenever you need our help
 - We will administer the company policies and guidelines with consistency, fairness, and a view toward the long-term health of your business
 - We will keep up with your needs and demands as you grow
 - We will act with character and integrity in all that we do
 - We will communicate with you in a respectful and professional manner
-

What You Can Expect Of Your Sponsor

- Your Sponsor will provide you with a warm welcome and an introduction to your team and company
 - Your Sponsor will train and support you, in your early and ongoing needs, as you learn the business
 - Your Sponsor will answer questions
 - Your Sponsor will help you to understand the Training Bonus Plan and how you can benefit from its principles of growth and sustainability
 - Your Sponsor will keep you informed of monthly and weekly training and mentoring opportunities
 - Your Sponsor will model the character and integrity of the company and our culture in all of their interactions with you and as they represent the company
-



What We Expect Of You

- We expect you to treat your business like a business by attending to its needs, and to make the ongoing commitment to continued development of your own skill set, as it can impact your ongoing success
 - We expect you to manage your finances and inventory appropriately as they will both play a role in the ongoing demands of your business while it grows
 - We expect you to use the product every day; become a walking business card for your business
 - If you wish to build a business, we expect you to take the time to carefully study the 72 Hour Game Plan and commit to apply the principles and concepts that it teaches
 - If you wish to build a team by recruiting other consultants to the company, we expect you to understand the role of a Sponsor and to do likewise
 - We expect you to set realistic goals, share them with your Sponsor and then to do the things each day that will help you move closer to your goals
 - We expect you to act with character and integrity when you represent the company and to look for ways to build and improve on the culture we have worked hard to establish
 - We expect you to communicate any questions or concerns with us in a respectful and professional manner with intentions to strengthen our partnership with you
-

WHO? WHAT? WHEN? WHERE? WHY? HOW?

The expectation of consultants, sponsors, trainers and leaders on Team Grace, Charm and Hustle is that they approach all questions they have with the following process. The better your ability to find answers yourself, the stronger leader you will become in the long run.

Under no circumstance should you ever go without your questions being answered. There is a fantastic system in place to make sure all of your questions get answered! You are not alone in this. Your question has probably been asked before. If the answer isn't already out there, we'll figure it out together.

Here is how you should approach any questions that you have:

1) Use critical thinking to decide if you already know the answer or can answer your question yourself.

2) On Facebook, search our team group "Team Grace, Charm & Hustle" or the "LuLaRoe Skirt Associates" group. You can search these pages using the search tool in the group (upper right corner, not in the mobile FB app, but it is in the free Groups app or the web browser). Use keywords just as you would on Google - any previous posts pertaining to your question will pop up. Read the comments, research answers yourself. Most likely the question has already been addressed multiple times and you'll be able to get a wide range of answers and choose what works for you. Those groups are like LuLaRoe specific googles.

3) Use google. For all non-specific to LuLaRoe queries such as questions about shipping, prices of supplies, business licenses, income taxes, marketing and more, try google first! Always google first! If Google can answer your question, it really is on you to find your answer, be independent! Search for it! Be a boss!

4) Ask your sponsor. After attempting to answer your own question, ask your sponsor. If they are confident the answer is available in the LuLaRoe FB groups, in a provided document or on google, and they care about you enough to want to foster your independence and growth: they will point you in the right direction to find the answer for yourself. Their job is to encourage your independence as a business owner - they are not being mean, they are helping you grow!

5) If your sponsor doesn't know the answer to your question, she will then ask her sponsor for the answer and get back to you. If you need immediate assistance and your sponsor is unavailable, ask your sponsor's sponsor (you filled in their information at the beginning of this packet). If you still have not received answers, you can continue upwards to ask the leaders above you for help.

6) Only call or e-mail the home office with questions under two circumstances: A) the question is absolutely specific to your unique situation and they are the only ones who could possibly know the answer (very rare), or B) you exhausted steps 1-5 and still have questions.



72-HOUR GAME PLAN

The 72-Hour Game Plan is a great way for new consultants to kick off their business on the right foot, but it also is a wonderful way for even the most successful consultants to give their business a boost when necessary.

- 1) Commit to "Treating your Business Like A Business." You are a business owner. This is not your hobby, this is your business. Treat it with respect and take it seriously - and others will do the same. It is totally fun, but also hard work.
- 2) Make a list of 50 names - people you know who would be great potential hostesses. Go through each of the following categories and think of anyone you know in those potential areas: family, friends, contacts in your cell phone, contacts from Facebook, school, church, work, hairdressers, etc.
- 3) Contact all 50 of those people to tell them about you business and ask them to consider hosting your boutique to earn free clothes or as a fundraiser. Book at least 3 boutiques (1st boutique to be held within 10 days of starting the 72-Hour Game Plan.
- 4) Promote your boutique though social media, phone calls, evites & flyers.
- 5) REPEAT steps 1-4.

POP-UP BOUTIQUES

SPREADING LULA-LOVE LOCALLY

Pop-Up Boutiques are the heart and soul of LuLaRoe. The amazing time that shoppers have in their friends' homes trying on clothes, laughing, complimenting and encouraging each other is what makes the LuLaRoe business model so unique. Prep your hostesses and plan your boutiques well for maximum sales and rewards!

2 WEEKS

BEFORE YOUR BOUTIQUE:

Create a Facebook Event for the Pop-Up Boutique and add your hostess as an admin. Have her invite her friends to the event, but remind her that FB inviting alone will not result in a successful boutique for her or you. She needs to make personal connections!

1 WEEK

BEFORE YOUR BOUTIQUE:

Begin posting images and descriptions of products on the event page. Answer questions. Build excitement and explain the uniqueness of LuLaRoe pieces.

1 DAY BEFORE

YOUR BOUTIQUE:

Confirm your arrival with your hostess. Encourage her to make personal contacts with her invitees asking them to join her in trying on clothes. Remind her to wear LuLaRoe to her boutique!

THE DAY OF

YOUR BOUTIQUE:

Arrive on time. Be well dressed and accessorized. Smile. Be kind, friendly, fun, and grateful to your hostess.



CLOSING TIME

AFTER YOUR BOUTIQUE:

Thank your hostess and present her with her hostess incentives. Clean up thoroughly and quickly.

1 WEEK

AFTER YOUR BOUTIQUE:

Follow up with anyone who signed up on your mailing list that marked that they would be interested in hosting your Pop-Up Boutique. Schedule them promptly. Also write your hostess a thank you note and again thank her for her work inviting her friends and having your boutique in her home. Let her know you'd be thrilled to do it again in 6 months!

FINAL THOUGHTS

on Pop-Up Boutiques:

Even if you plan on having the bulk of your business be online - Pop-Up Boutiques are an incredible way to make new customers, spread the knowledge of LuLaRoe, meet potential new Consultants you can sponsor and sell inventory that isn't moving online

THESE IMAGES
are from Katie May's Launch Party
in January 2015.

33 INSPIRATIONS FOR BOOKING POP-UP BOUTIQUES

1. Create a sense of urgency – let people know that you book fast and have limited dates available!
2. Try to book at least 2-3 Pop-Up Boutiques at every boutique you do. Some may cancel or not follow-through so it's good to have several scheduled.
3. Give your business card to every person who asks what you do for a living or anytime you talk about LuLaRoe with someone.
4. Give your card to your favorite store clerk, bank teller, postal worker, etc. when you have time to also tell them about hosting a party
5. When you see community bulletin boards, pin a few of your business cards on them. You never know what interest person might snag one.
6. Post available dates for Pop-Up Boutiques on Facebook
7. Wear LuLaRoe. You are always a walking advertisement.
8. If you see someone wearing a style that LuLaRoe carries, let them know you carry similar items and they can earn them for free by being a hostess.
9. Post signs at your Pop-Up Boutiques that say "Ask Me How to Earn Free Clothes!"
10. Always know when your next 3 available dates for Pop-Up Boutiques are.
11. Keep a "Mailing List" at your checkout table where people can indicate if they have interest in hosting. They may be too shy to tell you in person, but will indicate on the sheet that they want to learn more.
12. Follow up with anyone who expresses interest in hosting – pursue them, do not expect them to come to you to book a date.
13. Contact past hostesses when new "Collections" are released from LuLaRoe or every 4 months or so and ask if they want to host again. Tell her about new fabrics or styles you have.
14. Ask your hostesses to let you know which of her guests would make excellent hostesses.
15. Reward your hostess for when her friends at her pop-up boutique book their own.
16. Ask people if they would host an office party that you set up during their lunch hour.
17. Ask people who said no in the past – they might have said no then, but might be considering it now.
18. Ask your relatives to host a party – they most likely have a broad social network you aren't a part of.
19. Ask the owner of your favorite Beauty Salon if you can set up your display there for 3-4 hours. Give her the hostess rewards.
20. Pay attention at checkout. If a guest is torn between purchasing items or says they don't have enough money to purchase all they want to, remind them that they can earn free items by hosting!
21. Include a marketing piece that mentions or is all about hosting a Pop-Up Boutique in your shopping bags.
22. Bring a calendar with you to Pop-Up Boutiques with available dates highlighted.
23. Make a huge celebration out of the number of free items your hostess is receiving at the party.
24. Encourage your hostess to shop for her FREE items and try them on while her friends are there.
25. Travel to see out of town friends and ask if they'll host a Pop-Up Boutique during your visit.
26. Hold an open house in your own home. Invite all the names on your mailing list.
27. Ask a Hostess to celebrate her birthday with a Pop-Up Boutique!
28. Schedule an Open-House "Play Date" Pop-Up Boutique. Hire a sitter or two so the moms can shop.
29. Ask the local teams, charities and organizations you love to host a LuLaRoe fundraiser.
30. Host an annual celebration of your "LuLaVersary" at your house or your best Hostess' house.
31. Have a "Collection Release" party for shoppers when LuLaRoe does seasonal collections.
32. Ask local cheer squads and dance teams to host a fundraiser.
33. Work the 72-Hour Game Plan again.

WHY PRICING MATTERS

LuLaRoe has firm policies on pricing. They provide a Minimum Advertised Price (known as MAP) and you may not ever publicly post or publish prices lower than that. When you feel like it's time for a "sale" your leaders highly encourage you to host an in-person Pop-Up Boutique and let your local customers shop at a discount. But do not post prices lower than the Minimum Advertised Price on Instagram, Periscope, Facebook or anywhere else. We want to do our part to help retain the high value of the LuLaRoe brand! This is, after all, high quality, unique, exclusive (limited quantity), clothing!



SELL THE VALUE:

- Limited Edition Items
- High Quality Fabrics, Well-Tailored
- Supporting Families by Purchasing
- Modest, Flattering, Great Size Range

TIP: Focus on educating your customers on LuLaRoe's high value

AVOID: Speaking negatively about other companies or brands.

CREATE URGENCY:

- Remind customers that less than 3000 items are made in each fabric.
- Build excitement and anticipation around new inventory arrivals.
- Create buzz with social media posts

TIP: Regularly educate your online shoppers about LuLaRoe's unique inventory through social media.

AVOID: Letting your customers dictate your pricing. Stay in control.



TRAIN YOUR CUSTOMERS:

- If you run sales all the time, they will learn to wait for a sale to purchase.
- Create expected "norms" for how often you post new inventory
- Set clear rules for claiming items, invoice payment and exchanges.

TIP: Turn your Sale events into fun celebrations for LuLaRoe lovers!

AVOID: Clearancing items and calling them "old" or "last season". Never disparage an item someone might love!



LuLaRoe Etiquette and Ethics

As LuLaRoe Consultants you each own your own business and that business can change your life. There are many ways to market your business and build your cliental. As Consultants you each need to respect one another's business. There are several assumed ethical rules that everyone should abide by, however sometimes these are not obvious and you need a reminder. The following is a list of LuLaRoe Etiquette and Ethics you should take to heart. As you adhere to these suggestions, you will be more successful and you will be able to continue to build the LuLaRoe culture.

Social Media

- If you use another Consultant's pictures, give credit.
- Never use someone else's picture and say it's you or your picture.
- Only use #lularoe on pictures that are quality pictures that you want to represent the brand.
 - Never use #lularoe on your inventory, sales, bathroom selfies, etc.
- Please do NOT participate in other Consultants' contests. Consultants may choose to run contests to build their customer base or as a "Thank You" to their customers. These are not meant for other Consultants to participate in or to win.
- Do not participate in contests run on the LuLaRoe Instagram or Facebook, unless otherwise stated. These are to build the LLR customer base. You can always share these contests with your followers and customers.
- Always show professionalism in your posts and comments on social media, including your personal pages.
 - Do not air your dirty laundry, big messes, dirty diapers, etc. on Facebook or Instagram.
 - If you are negative, or say your life is hard, no one will want to join your business.
 - Avoid using foul language and questionable posts on your business and personal page.
 - Keep your posts and comments positive and uplifting.
- Do not post negativity on any LuLaRoe page or group.
- If you are posting on local social media pages, Facebook groups, or classified ads, look before you post to make sure another Consultant has not posted on the same page recently.
- You should "Like" each other's Facebook pages – the more "Likes" of a page, the more likely a post will show up in our follower's news feeds.
- You should "Like" the pictures of other Consultants that you like on Instagram and Facebook, again this helps to push posts onto other people's feeds.

VIP Pages

- If you ask to join another Consultant's VIP page, plan to be a silent observer, unless you are purchasing product as a customer (at retail price).

- NEVER comment on a Consultant's post, or message a Consultant, asking to buy an item at wholesale.
- If a Consultant posts something online and you want to purchase it, plan to purchase it at retail price, not wholesale.
 - Consultants take time to take pictures and post items online with the intent to make a sale to a customer, not a consultant.
 - If the Consultant wants to sell to another Consultant they will sell it on the official LuLaRoe Skirt Exchange page.
 - You need to have your consignment paid off in order to be added to the LuLaRoe Skirt Exchange page
 - Don't spend time on this page. Instead, focus on selling what you have.
 - We all receive amazing, and different, items. We all want the opportunity to sell some of our amazing items to our customers and for a profit.
- NEVER comment on a Consultant's post saying you have an item in a different size or message a customer who has commented on a post asking if the Consultant has an item in another size. This is not your customer. She is someone else's customer or follower.
- Do not try to entice another Consultant's customer to buy from you. There are plenty of customers out there.
- Please do NOT post your pictures, products, etc. on other Consultant's pages. Another Consultant's page is not a place for you to gain customers or sales.
- If you have a post on your page from another Consultant that you feel is inappropriate you are welcome to delete it.
- Do not post a link to your VIP page in another Consultant's VIP page.
- If your customers want something on another Consultant's page, ask them to call you or message you directly. Ask your customers to avoid tagging you on another Consultant's page.
- If a Consultant removes you from her VIP page, do not be offended.
- If you sell something online and the customer would like to exchange it with you, do not tell them to go to the nearest Consultant. You are responsible to help your customer find a solution. If there is a Consultant in their area, you should contact the Consultant and ask if they would be willing to help, but do not send a customer to another Consultant for an exchange without talking to her first.
- If you sell an item at a deeply discounted price, please put a red mark on the inside tag and the hang tag. Inform the customer this is a final sale so she does not try to exchange the item with another Consultant for a new, full price item.

Respecting Other Consultants

- Share the LuLaRoe Love.
- Always share positive words with others.
- Uplift every Consultant.
- If you run into a customer who is doing a Pop-Up Boutique with another Consultant, do not try to get them to cancel and book with you.
- Never talk negatively about another Consultant, especially to a customer. Remember, "if you can't say anything nice, don't say anything at all."
- Do not message another Consultants' hostess asking her to book with you.

- Always have something good to say about another Consultant!
- Realize that your network may overlap with another Consultant's network.
 - Do not be offended when someone books a Pop-Up Boutique with another Consultant.
 - Instead of being bitter, find a new lead.
- If you attend another Consultant's Pop-Up Boutique, expect to pay retail prices for products purchased.
- Never ask to pay wholesale in front of a customer.
- Customers will shop around. Do not blame a Consultant for "stealing" your customer. That Consultant may not have even known you had worked with that customer.
- Always assume innocence in any situation.

Teams and Recruiting

- Many potential Consultants discuss the business with multiple Consultants. If you talk to someone about the business and they decide to sign up with another Consultant, take a moment, breathe, and then wish them well.
- If you approach someone about the business opportunity, ask them if they have heard about LuLaRoe before or if they have been working with another Consultant.
 - If they mention they have heard about the business and have been talking with another Consultant, let them know that the other Consultant is awesome and, if it doesn't work out with her, you would be happy to help.
 - Do not try to bribe them to join your team.
 - Never belittle another Consultant.
- Welcome all new Consultants to your area, regardless of if they are on your team.
- Never try to entice or encourage Consultants to "change sponsors."

Working with the Home Office

- LuLaRoe and those that work at the Home Office are your partners.
- Never call the Home Office and yell at the person on the other end of the line. Remember, they are people and have feelings too! ;)
- Do not belittle anyone at LuLaRoe.
- Do not DEMAND that the Home Office do something for you.
- LuLaRoe Home Office cannot fix issues they are unaware of. Please email issues to support@lularoe.com.
- There is a wealth of information available to Consultants. Please try to find out the answer to your questions before contacting the Home Office.
 - Use the "search" field on the LuLaRoe Facebook Associates page.
 - Ask on the Facebook Associates page.
 - Ask your Sponsor and/or Leader.
 - Look at the documents online.
 - Watch the videos provided in the Back Office.
 - If you cannot find answers to your questions, then call the Home Office and ask your questions.



FUNDRAISERS WITH LULAROE

Earn money. Make new customers. Do good.

LuLaRoe has an amazing fundraising policy. They will match your donation (up to certain limits) for almost any cause that you deem worthy. Hosting a fundraiser is a fantastic option for a hostess who may not want to "earn free clothes" while her friends shop, and sales are always great because people LOVE shopping for a good cause!

PARTICIPATING IN A FUNDRAISER

Follow these steps and start raising funds!

- 1) E-mail fundraisers@LuLaRoe.com the following information and ask for their approval:
 - Date & Location of the Event
 - Description of what the charity/cause is, what the funds raised will be used for.
 - Why you are personally passionate about this fundraiser
- 2) Wait 2-3 business days for approval of your fundraiser.
- 3) During the fundraiser, keep a tally sheet of which items you sell. Styles, sizes & quantities. You will need this information to total up the donation from you and from LuLaRoe.
- 4) Within 5 days of your event, e-mail fundraisers@LuLaRoe.com the following:
 - The organized, complete, detailed tally sheet of your items sold - quantity and styles
 - Breakdown of how the money adds up for the check they'll write to the cause
 - **make it easy on LuLaRoe, they are doing YOU and the charity a favor
 - The information for who they make the check payable to and where they mail it to.
 - A picture (or scanned copy) of your check that you used to pay the charity.

LuLaRoe will NOT reimburse you for paying the entire donation yourself. You pay your part, and LuLaRoe will match your donation up to the following limits.

LuLaRoe's Fundraising Matching Limits

You can donate as much as you would like to the charity, but LuLaRoe will match YOUR donation up to the following limits per item sold... LuLaRoe will donate

\$1.50 for each pair of Kids Leggings sold

\$2.00 for each pair of One Size Leggings, Tall & Curvy Leggings, Julia Dress, Azure Skirt, Cassie Skirt, Dot Dot Smile Lucy Dress, Irma Tunic, Kids Cassie Skirt, Kids Maxi Skirt, Randy Tee, Sloan Tee,

\$3.00 for each Amelia Dress, Nicole Dress, Ana Dress, Monroe Kimono, Lindsay Kimono, Maxi Skirt, Madison Skirt, Lola Skirt, Lucy Skirt, Temple Dress and Temple Skirt

Team Grace, Charm & Hustle suggests donating the full amount so you get the most out of LuLaRoe's kindness and generosity in matching. So when someone purchases an Irma Tunic, you will donate \$2.00 from the sale price, and LuLaRoe will match that donation of \$2.00. The Charity will receive \$4.00 when someone purchases an Irma Tunic.

The cause you are raising funds for doesn't need to be "official". It could be for Sarah's trip to Paris, or for Brenden's Make-A-Wish fund or for a charity you or your hostess love. Participate in fundraisers as they are a great way for you to get your business out there in the community - and women feel better about shopping when it's for charity.

A black and white photograph of two young women with long hair, smiling and hugging each other. They are both wearing floral-patterned dresses. The woman on the left is wearing dark wedge sandals, and the woman on the right is wearing light-colored wedge sandals. The background is decorated with several balloons and tassels hanging from the ceiling. The overall mood is celebratory and joyful.

BE GRACEFUL,
BE CHARMING,
HUSTLE HARD.

PLANTING SEEDS FOR FUTURE CUSTOMERS & CONSULTANTS

There is not a seasoned LuLaRoe Consultant out there who can't tell you about their worst Pop-Up Boutique ever. It happens. There are duds. Perhaps you did not prep your hostess well, perhaps she didn't try to get many friends there, maybe the weather was bad or everyone was broke.

But even those Pop-Up Boutiques proved to be worth something in the end. A few of the shoppers became return customers. One chose to be a hostess a few months later. Maybe even one slightly shy woman who didn't have enough money at the time to shop decides to sell LuLaRoe to change her life and picks you as her sponsor.

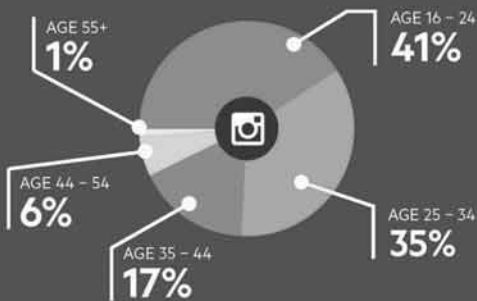
You never know what "seeds" you are planting when you are out and about representing your LuLaRoe business at Pop-Up Boutiques, or even in every day life. Try to remember: Everyone you meet is either a potential customer, hostess or consultant. And watch how your attitude changes even in the most seemingly dismal situations.

Be graceful, be charming, and hustle hard. Good things will come your way.

SOCIAL MEDIA GUIDELINES

300

MILLION MONTHLY ACTIVE USERS



32%

68%

AVERAGE USER
18 - 20 YEARS
URBAN
female
TWO
CHECKS DAILY

26%

OF INTERNET USERS USE INSTAGRAM

1

DON'T LINK TO
OUTSIDE POSTS

2

USE HASHTAGS

#LULAROE
#AmeliaDress #Love
#FashionFix #STYLE
#BeYourOwnBoss
#SimplyComfortable

3

USE HASHTAGS TO CREATE CAMPAIGNS AND CONTESTS



BE WHAT YOU WANT TO ATTRACT

You want to have customers who appreciate good style, find value in fashion and have confidence in themselves, right? In order to attract those customers, you have to be those things! The best way to get your business out there is to make interesting, creative, helpful, beautiful posts on Social Media.

The LuLaRoe brand is well-established as clean, bright, fresh, well-styled and fun. Your posts representing the company need to fit that design aesthetic.

When your posts are beautiful, well thought out, use creativity and are well written, they will gain the attention of the best kind of customers - and that will turn into amazing sales for you! There is no other platform quite like Facebook and Instagram for reaching the masses, both locally and nationally. Learning to use it to your advantage will help you grow quickly.

Try to set goals for how often you'll post. Start with once a day and build up to 3x a day. It is better not to post than to post something terrible, but work on building a stash of good content so you have something ready to post when the time arises. Download stock photos from MyLuLaRoe.com to use in your posts, create your own beautiful displays, ask your customers to send you photos of them wearing their LuLaRoe.

WANT MORE INSPIRATION?

Check out the Instagram feeds of your favorite brands such as Kate Spade, Target, Tiffany & Co. and Nordstrom. See how their images are well-lit, beautifully cropped and their captions are exciting and well-written.



SHINE BRIGHT

Try to take pictures for your social media posts in natural light or well-lit rooms. Unless you are going for a moody, dimly lit look, bright and clear photos show off the clothes best and fit the brand well.

GET THE LOOK

Well-styled outfits with great accessories show that LuLaRoe is a fashionable clothing line and inspires others on how to add it to their own wardrobe. Try adding a purse, great shoes, fun jewelry or even a prop or two to your images.



LOCATION, LOCATION, LOCATION

One of the most important aspects of your social media images is the location surrounding the subject. This does not mean you need fancy sets or drive to far off places – but avoid cluttered, dirty environments. Clean and simple work best to showcase fashion.

BE RELEVANT

Celebrate the moment! If there's a heat wave, style your shoot accordingly. Celebrate all holidays with a post – even national Donut Day or Talk Like A Pirate Day. The more current events your posts coincide with, the more attention they will receive.

HAND THE CAMERA OVER

Images featuring you are wonderful and a great way to add personality and charm to your social media presence. However, selfies should be limited. Hand your phone off to your kids, friends, strangers and try to get some full-length shots of yourself wearing LuLaRoe!

NO FILTER NEEDED

Try to use photo editing apps (I highly recommend Pic-Tap-Go) to get clear, vibrant color and contrast in your images. Avoid adding artistic effects such as blur, heavy filters, graphics and text. Study @LuLaRoe's Instagram and mimic the style as best you can.



CHOOSE TO LEAD

Get Paid to Sponsor & Train Future Successful Consultants

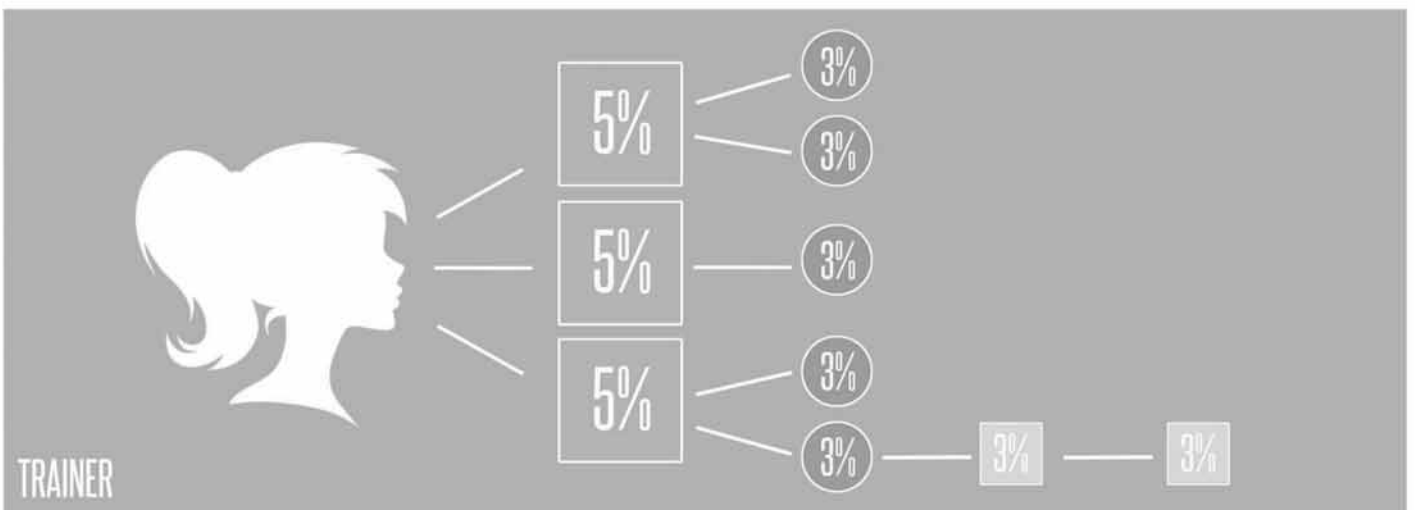


FASHION CONSULTANT

A Fashion Consultant must complete the LuLaRoe Consultant Application and purchase an initial order as defined in the LuLaRoe Fashion Consultant Business Overview. They can do their own pop-up boutiques and earn from 35% to 50% of the gross sales. Percentages vary with which products they sell. They must sell 33 pieces a month to remain "active".

SPONSOR

A Fashion Consultant can sponsor others wishing to become Fashion Consultants into the business. A sponsor is responsible for training their Personally Sponsored Fashion Consultants in all LuLaRoe policies & procedures and encouraging their success. A Sponsor is eligible to earn a 5% override bonus on the Personal Volume (wholesale cost of items sold) of their Personally Sponsored Fashion Consultants. In order to receive a bonus on those you sponsored you must purchase 175 pieces in the calendar month for which the bonus is calculated.



TRAINER

A Trainer has at least three Personally Sponsored Fashion Consultants, with a total of ten Fashion Consultants in their downline and meets the criteria as follows. They receive an override bonus on the Personal Volume (wholesale cost of items sold) of 5% on each Personally Sponsored Consultant and 3% on every consultant in the generations after that. To qualify for the override bonus, their downline must purchase at least 1,750 pieces for the calendar month, not including their own sales. Their personal qualification requirement is 250 purchased pieces, but that will be reduced by 50 pieces for each Personally Sponsored Fashion Consultant who purchases 175 pieces (up to 3). A 100 item purchase minimum requirement will remain. They ensure their downline has the training, knowledge and support necessary to be successful. You receive 1 Leadership Bonus Point every month that you qualify as a Trainer and 1 Point for every consultant in your downline who qualifies as a trainer.

SUCCESSFUL TRAINERS MAKE NEW TRAINERS

When you have trained someone in your team and they become a Trainer, they will graduate from your group leaving you free to train others who need your help. You will then receive a 1% bonus on their Group's total payments received and one point in the Leadership Pool for each Graduate. If one of your Graduates, who has reached Trainer or Leader for that month, has one of their team graduate to Trainer or Leader, bonuses are not eligible on their team's total payments received.

BECOMING A LULAROE COACH

Requirements – A coach must meet the requirements of a Trainer and have at least three of their Personally Sponsored Fashion Consultants qualify as Trainers.

Responsibilities – Provide training to all Trainers, Sponsors and Fashion Consultants in your organization. Help develop sales aids and programs for your entire group.

Results – In addition to the Trainer Bonuses you will earn 1% on the total of payments received from your second level Graduate Trainer's group. Coaches will receive two Leadership Bonus points for qualifying as a Coach, one point for each Trainer on their first level and two points for each Trainer on their second level. Coaches will benefit by training the Trainers. As the Trainers become self-sufficient the Coaches will be free to train other Trainers while still collecting a bonus on those teams they have trained.

LEADERSHIP BONUS POOL

Participation in the Leadership Pool will be based on a point system. The total value of the pool (gross sales for the calendar month) will be divided by the total of points earned. This will create a dollar value for each point. Bonuses will then be paid to qualified leaders based on their individual points earned.

** 2016 will mark the switch from items purchased to items sold for incentives & overrides. Also, overrides & bonus points do have a generational end point.

HOW TO SPONSOR A NEW FASHION CONSULTANT

- 1) E-mail them our team's specific PDF file regarding becoming a LuLaRoe consultant.
- 2) Include in the e-mail your personal recruitment link found on your dashboard at MyLuLaRoe.com
- 3) Your New Recruit Should:
 - A) Fill out the personalized link to join LuLaRoe that you provided them
 - B) Fill out the LuLaRoe Independent Consultant Program Application and Agreement
 - C) Scan or take a photo of the signed and filled out pages as well as a voided check for the bank account they wish to receive direct deposits to.
 - D) E-mail onboarding@LuLaRoe.com one e-mail with all 3 documents (agreement/checklist/check)
 - E) Within 21 business days they will receive an e-mail from Onboarding confirming receipt of their documents. They will then be placed in the Queue to be called to onboard!



LLR INC. INDEPENDENT CONSULTANT PROGRAM APPLICATION & AGREEMENT

Applicant _____ Co Applicant _____

Address _____

City _____ State _____ Zip _____

Home Phone# _____ Cell Phone# _____

Email Address _____ Birth Date _____ DL# _____

SS# _____ Sponsor Name _____

Effective Date _____

This LLR INC. Independent Consultant Application and Agreement (“Agreement”) is made by and between the undersigned (“Consultant”) and LLR INC., a Wyoming corporation, effective as of the date set forth herein (“Effective Date”). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. LLR INC. may, subject to the terms and conditions of this Agreement and any other applicable agreement or document incorporated herein by reference, sell to Consultant or to place in the possession of Consultant on a consignment basis, various clothing and fashion accessories (“Product”) for the purpose of resale.

2. Consultant shall be an independent contractor and not an employee, franchisee, representative, agent, joint venturer or partner of LLR INC. This Agreement shall not create an employer-employee relationship and shall not constitute a hiring of such nature by any party. Consultant is not authorized to, and shall not obligate LLR INC. in any way legally or financially.

3. **CONSULTANT UNDERSTANDS THAT SHE/HE SHALL NOT BE TREATED AS AN EMPLOYEE OF LLR INC. FOR FEDERAL OR STATE TAX PURPOSES.** Consultant shall be responsible for and pay Consultant's own self-employment taxes, estimated tax liabilities, business equipment or personal property taxes and other similar obligations, whether federal, state or local. LLR INC. shall not pay or withhold any FICA, SDI, federal or state income tax or unemployment insurance or tax or any other amounts because the relationship of the parties hereto is not that of employer-employee, but that of independent contractor. Consultant shall be solely responsible for the payment of all taxes, withholdings and other amounts due in regard to Consultant's own employees, if any.

4. Unless expressly agreed in writing otherwise, LLR INC. shall not provide any travel, equipment, sales materials, or services or other items for the benefit of Consultant. Consultant shall, at its own expense, provide and make arrangement for all travel, equipment, sales materials, services, and other items necessary to perform its duties hereunder. Consultant shall be

responsible for payment of its own expenses, including, but not limited to those items specifically set forth above.

5. Consultant acknowledges that she/he has read and agrees to comply with the LLR INC. Policies and Procedures and the LLR INC. Training Bonus Plan, both of which are incorporated into and made a part of this Agreement. If Consultant has not yet reviewed the Policies and Procedures or Training Bonus Plan at the time that this Agreement is entered into, Consultant understands that they are posted at www.lularoe.com and are also included in Consultant's first order and accessible via Consultant's Back Office login at www.mylularoe.com/login. Consultant agrees that she/he will review the Policies and Procedures and Training Bonus Plan within five days of the effective date of this Agreement. If Consultant does not agree to the Policies and Procedures and/or Training Bonus Plan, Consultant's sole recourse is to notify LLR INC. and cancel the Agreement within such time period. Failure to cancel constitutes Consultant's agreement to the Policies and Procedures and Training Bonus Plan.

6. Consultant will not make claims or representations of potential income derived from the bonus or commission structure of LLR INC. and that any examples given will be used only to explain the program and not as an enticement to enroll consultants or others. LLR INC. shall not pay any compensation for enrolling consultants or others.

7. Consultant agrees that maintaining the perceived value of LLR products in the marketplace as well as providing as level a playing field as possible is beneficial for all Consultants. LLR has established its suggested retail prices in an effort to maintain the value of LLR products in the marketplace as well as to provide the opportunity for healthy retail profits for all Consultants. Selling LLR products at less than the suggested retail prices does damage to both of these goals. While Consultant may sell LLR products at any price she chooses, in order to protect the value of the LLR brand and to protect the retail opportunity for all Consultants, the Company encourages all Consultants to adhere to the pricing structure that it has established. Further, where advertising by Consultants is permitted (see Sections 3.5 and 3.12.11 of the Policies and Procedures), Consultants agree that they will not advertise LLR products at prices less than the suggested retail prices as established by LLR and published in official LLR materials.

8. LLR INC. may, at its sole discretion, create, amend, or discontinue certain compensation, bonus, commission or incentive plan or program pertaining to its Product, business, consultants, and others. Consultant shall have no vested interest in any such plan or program, provided, however, that LLR INC. may not change the terms or conditions regarding compensation for any Product actually sold to or placed in the possession of Consultant. The Policies and Procedures, Leadership Bonus Plan and Wholesale Pricing Structure of LLR INC. may, subject to the terms and conditions of this Agreement, be amended at the sole discretion of LLR INC. Notification of amendments shall be sent to Consultant by email, posted on LLR INC.'s website, and posted in Consultant's Back Office. Amendments shall become effective 30 days after notification to Consultant, but amended policies shall not apply retroactively to conduct that occurred prior to the effective date of the amendment. The continuation of Consultant's LLR INC. business or Consultant's acceptance of bonuses or commissions after the effective date of any amendment shall constitute Consultant's acceptance of any and all amendments.

9. The term of this Agreement is one year from the Effective Date or the date of its acceptance by LLR INC., whichever shall occur last. This Agreement shall thereafter automatically renew for successive one-year terms unless terminated by Consultant or LLR INC. upon no less than thirty (30) calendar days' written notice. If this Agreement is terminated for any reason, Consultant shall not be eligible to purchase Products from LLR INC. at wholesale prices or make sales on behalf of LLR INC. or use any intellectual property, including, without limitation, trademarks, styles, or names of LLR INC. ("Intellectual Property") or any Confidential Information of LLR INC. In the event of termination or non-renewal of this Agreement, all rights of Consultant, if any, to any bonuses, commissions, or other compensation, whether or not related the productivity or sales activities of any other consultant, or otherwise, shall terminate. Notwithstanding anything in this Agreement, LLR INC. reserves the right to immediately terminate this Agreement without notice in the event that Consultant misrepresents Products or LLR INC., or the acts of Consultant cause a negative impact on the business or reputation of LLR INC. LLR INC. reserves the right to terminate this Agreement upon 30 days' notice to Consultant in the event LLR INC. elects to: (a) cease business operations; (b) dissolve as a business entity; or (c) terminate the distribution of its products via direct selling channels.

10. Unless specified in writing otherwise by LLR INC., all information provided by LLR INC. to Consultant is and shall remain confidential ("Confidential Information"). The above Confidential Information shall include, but not be limited to, all customer information, customer and client lists, sales information, wants and needs of customers, agreements, communications, plans, designs, reports, projections, budgets, proformas, or other materials, whether or not furnished or prepared by LLR INC. or its agents or employees. Consultant shall: (i) not directly or indirectly divulge, disclose, disseminate, distribute, license, sell, use or otherwise make known any Confidential Information to any third party or person or entity not expressly authorized or permitted by LLR INC. to receive such Confidential Information; (ii) use best efforts to prevent disclosure of any Confidential Information to any third party and exercise the highest degree of care and discretion in accordance with all express duties hereunder to prevent the same; and (iii) not directly or indirectly make any use whatsoever of the Confidential Information or Intellectual Property, or of any feature, specification, detail or other characteristic contained in or derived from, the Confidential Information or Intellectual Property, except for purposes of performing services hereunder. The parties each acknowledge that the Confidential Information constitutes trade secrets of LLR INC. within the meaning of and pursuant to the Uniform Trade Secrets Act contained set forth at Wyoming Code § 40-24-101, et seq., as well as under the law of any other jurisdiction in which Consultant resides and/or does business. The parties further acknowledge that this Agreement constitutes reasonable efforts of LLR INC. to protect and maintain the secrecy and confidentiality of the Confidential Information.

11. Consultant shall not, subject to the terms and conditions of this Agreement, directly or indirectly, contact, communicate with, solicit or conduct any business or enter into any transactions or associations of any economic value with any parties identified in, derived from, or obtained by reason of the Confidential Information, or otherwise identified or provided by LLR INC., without the prior written permission of LLR INC. Consultant shall not derive any economic benefit from any transaction between any parties identified in, derived from, or obtained by reason of the Confidential Information or otherwise identified or provided by LLR INC. and any third party, without the prior written consent of LLR INC. Consultant shall not use

any third party intermediaries or other devices to avoid or defeat the foregoing non-circumvention covenants.

12. Consultant shall not, subject to the terms and conditions of this Agreement pertaining to survival or otherwise, solicit or employ or engage any of LLR INC.'s clients, customers, consultants, referral sources, employees, vendors, suppliers, associates, or independent contractors for a period of not less than three (3) years from the date of termination of this Agreement without the prior written consent of the LLR INC.

13. Consultant acknowledges that LLR INC. does not represent that Consultant can earn any amount hereunder, whether or not in excess of any initial payment made by Consultant, or that there is a market for the Product. LLR INC. does not maintain or enforce exclusive sales areas or territories for the benefit of Consultant.

14. Nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any person other than the parties to it and their respective successors and assigns, except as set forth herein, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third person to any party to this Agreement, except as set forth herein, nor shall any provision give any third person any right of subrogation or action over or against any party to this Agreement, except as set forth herein.

15. The Agreement constitutes the entire agreement between LLR INC. and Consultant pertaining to the subject matter contained in the Agreement and supersedes all prior and contemporaneous agreements, representations and understandings of the parties; provided, however, that this Agreement shall include: (i) The LLR INC. Policies and Procedures, (ii) The LLR INC. Training Bonus Plan, (iii) The LLR INC. Initial Inventory Fund or Credit Application if applicable, (iv) The Business Entity Form, if applicable, all of which are hereby incorporated herein by reference. To the extent that the terms or conditions of any of the foregoing may conflict with the terms or conditions of this Agreement, the terms and conditions of this Agreement shall control. No waiver of any of the provisions of the Agreement shall be deemed, or shall constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

16. Any provision in this Agreement to the contrary notwithstanding, the obligation of Consultant regarding confidentiality and non-circumventions and non-solicitation shall survive for so long as LLR INC. may, in its sole discretion, consider the Confidential Information to be confidential. If any provision of this Agreement shall, for any reason, be held unenforceable, such provision shall be severed from this Agreement, The Invalidity of such specific provision, however, shall not affect the enforceability of any other provision herein, and the remaining provision shall remain in full force and effect.

17. The obligations of Consultant under this Agreement are unique in that the same constitute personal services. If Consultant should default in its obligations under the terms of this Agreement, the parties each acknowledge that it would be extremely impracticable to measure the resulting damages; accordingly, LLR INC., in addition to any other available rights or

remedies, may sue in equity for specific performance, without the necessity of posting bond or other security, and Consultant expressly waives the defense that a remedy in damages will be adequate and the requirement of a bond or other security.

18. Consultant may not assign this Agreement or any rights hereunder without the prior written consent of LLR INC. Any attempt to transfer or assign the Agreement or any rights under the Agreement without the express written consent of LLR INC. renders the Agreement voidable at the option of LLR INC.

19. In the event of any breach of the Agreement (including the Policies and Procedures) Consultant agrees that LLR INC. may, at its discretion, impose upon Consultant disciplinary sanctions as set forth in the Policies and Procedures. If Consultant is in breach, default or violation of the Agreement at termination of the Agreement, Consultant shall not be entitled to receive any further bonuses or commissions, whether or not the sales for such bonuses or commissions have been completed. Consultant agrees that LLR INC. may deduct, withhold, set-off, or charge to any form of payment Consultant has previously authorized, any amounts Consultant owes or is indebted to LLR INC.

20. LLR INC., its parent or affiliated companies, directors, officers, shareholders, employees, assigns, and agents (collectively referred to as “affiliates”), shall not be liable for, and Consultant releases and holds harmless LLR INC. and its affiliates from, all claims for consequential and exemplary damages for any claim or cause of action relating to the Agreement. Consultant further agrees to release and hold harmless LLR INC. and its affiliates from all liability arising from or relating to Consultant’s promotion or operation of Consultant’s LLR INC. business and any activities related thereto (e.g., the presentation of LLR INC. products or Training Bonus Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.), and agrees to indemnify LLR INC. for any liability, damages, fines, penalties, or other awards arising from any unauthorized conduct that Consultant undertakes in operating Consultant’s independent LLR INC. business.

21. This Agreement will be governed by and construed in accordance with the laws of the State of Wyoming without regard to principles of conflicts of laws. In the event of a dispute between Consultant and LLR INC. arising from or relating to the Agreement, or the rights and obligations of either party, the parties shall attempt in good faith to resolve the dispute through nonbinding mediation as more fully described in the Policies and Procedures. LLR INC. shall not be obligated to engage in mediation as a prerequisite to disciplinary action against Consultant. If the parties are unsuccessful in resolving their dispute through mediation, the dispute shall be settled totally and finally by arbitration as more fully described in the Policies and Procedures.

22. Notwithstanding the foregoing, either party may bring an action before the courts seeking a restraining order, temporary or permanent injunction, or other equitable relief to protect its intellectual property rights, including but not limited to customer and/or distributor/consultant lists as well as other trade secrets, confidential information, trademarks, trade names, patents, and copyrights. The parties may also seek judicial enforcement of an arbitration award. In all actions before the courts, the parties consent to exclusive jurisdiction and venue before the U.S.

District Court for the District of Wyoming, or state court residing in Laramie County, State of Wyoming.

23. Louisiana Residents: Notwithstanding the foregoing, if Consultant is a resident of Louisiana, this Agreement shall be governed by Louisiana law and jurisdiction and venue of any action before a court shall be in Louisiana.

24. **A participant in this marketing plan has a right to cancel at any time, regardless of reason. Cancellation must be submitted in writing to the company at its principal business address.**

25. Consultant authorizes LLR INC. to use Consultant's name, photograph, personal story, and/or likeness in advertising and promotional materials and waives all claims for remuneration for such use.

IN WITNESS WHEREOF, the parties to this Agreement have duly executed this Agreement to be effective on the Effective Date set forth above.

LLR INC.,
a Wyoming corporation

By: _____

(Title)

Consultant:

(signature)

ONBOARDING PACKAGE

Nicole #2 best selling dress

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 5pcs 2XL - 5pcs
 M - 5pcs 3XL - 5pcs
 40pcs x \$23 = \$920

Maxi #2 best selling dress

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 10pcs 2XL - 5pcs
 M - 10pcs 3XL - 5pcs
 50pcs x \$21 = \$1,050

Azure #3 best selling skirt

XS - 10pcs L - 5pcs
 S - 10pcs XL - 5pcs
 M - 10pcs
 40pcs x \$14 = \$560

Irma #1 best selling top

XXS - 10pcs L - 10pcs
 XS - 10pcs XL - 10pcs
 S - 10pcs 2XL - 5pcs
 M - 15pcs 3XL - 5pcs
 75pcs x \$15 = \$1,125

Randy #3 best selling top

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 5pcs 2XL - 5pcs
 M - 5pcs 3XL - 5pcs
 40pcs x \$16 = \$640

Classic T #2 best selling top

XXS - 5pcs L - 5pcs
 XS - 5pcs XL - 5pcs
 S - 5pcs 2XL - 5pcs
 M - 5pcs 3XL - 5pcs
 40pcs x \$16 = \$640

Lindsay #1 best selling kimono

S - 5pcs L - 5pcs
 M - 10pcs
 20pcs x 21 = \$420

TOTAL 305pcs = \$5,355.00

INITIAL KIT ADD ON

OS leggings - 25 x 2 packs x \$21 = \$525

TC leggings - 20 x 2 packs x \$21 = \$420

Kids Leggings S/M - 10 x 2 packs x \$17 = \$170

Kids Leggings L/XL - 10 x 2 packs x \$17 = \$170

Tween Leggings - 10 x 2 packs x \$19 = \$190

75 pcs \$1,475.00

When ordering this add on you will receive 25 Patrick T's

5 sizes 5 per size! \$500 value

2016.06.22



PRICE LIST

*Reminder: Advertised prices must be listed at or above the MAP (Minimum Advertised Price) to ensure brand integrity. Facebook, Instagram and other social platforms are considered public places whether or not you've marked them private.

	WHOLESALE	SUGGESTED RETAIL	MAP*
Skirts:			
Maxi (XXS-3XL)	\$21	\$35 - \$42	\$42
Lucy (XXS-2XL)	\$23	\$42 - \$52	\$52
Madison (XS-XL)	\$23	\$38 - \$46	\$46
Azure (XXS-2XL)	\$14	\$30 - \$35	\$35
Cassie (XS-3XL)	\$14	\$30 - \$35	\$35
Lola (XXS-2XL)	\$21	\$40 - \$46	\$46
Jill (XXS-2XL)	\$25	\$48 - \$55	\$55
DRESSES:			
Amelia (XXS-2XL)	\$31	\$60 - \$65	\$65
Ana (XS-3XL)	\$27	\$50 - \$60	\$60
Nicole (XXS-2XL)	\$23	\$40 - \$48	\$48
Julia (XXS-2XL)	\$18	\$38 - \$45	\$45
LEGGINGS:			
Adult One Size 2-Pack	\$21 (2-Pack)	\$20 - \$25	\$25
Adult Plus/Tall Size 2- Pack	\$21 (2-Pack)	\$20 - \$25	\$25
Tween 2-Pack	\$19 (2-Pack)	\$19 - \$23	\$23
BOTTOMS:			
Jade (XS-2XL)	\$26	\$50 - \$55	\$55

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	WHOLESALE	SUGGESTED RETAIL	MAP*
Jordan (XS-2XL)	\$29	\$60 - \$65	\$65
TOPS:			
Irma (XXS-XL)	\$15	\$30 - \$35	\$35
Randy (XXS-2XL)	\$16	\$30 - \$35	\$35
Classic T (XXS-3XL)	\$16	\$30 - \$35	\$35
Perfect T (XXS-3XL)	\$17	\$31 - \$36	\$36
Monroe Kimono (S & L)	\$21	\$42 - \$48	\$48
Lindsay Kimono (S, M & L)	\$21	\$42 - \$48	\$48
Sarah Cardigan (XS-XL)	\$30	\$60 - \$70	\$70
Patrick T (M-3XL)	\$20	\$36 - \$40	\$40
Joy Vest (XS-XL)	\$25	\$50 - \$60	\$60
KIDS:			
Maxi (2-14)	\$14	\$24 - \$28	\$28
Cassie (2-14) 2-Pack	\$21 (2-Pack)	\$20 - \$24	\$24
Leggings (S/M-L/XL) 2-Pack	\$17 (2-Pack)	\$19 - \$23	\$23
Dotdotsmile Sleeveless (2-14)	\$18	\$32 - \$36	\$36
Dotdotsmile Sleeves (2-14)	\$18	\$32 - \$36	\$36
Azure (2-14) 2-Pack	\$21 (2-Pack)	\$18 - \$25	\$25
Sloan (2-14)	\$13 (2-8) \$15 (10-14)	\$24 - \$28	\$28
Gracie Top (2-14)	\$15	\$24 - \$28	\$28
Temple Dress (XS-3XL)	\$29	\$52 - \$58	\$58
Temple Skirt (XS-3XL)	\$25	\$48 - \$52	\$52

FAKE IT UNTIL YOU BECOME IT

I believe 100% in the potential for success for every member on Team Grace, Charm & Hustle. I believe you have the ability to create high sales and profitability while having fun. I believe you have the ability to become a leader in this company. I believe you are entirely in control of your success with LuLaRoe. I believe you hold the keys to changing your life for the better.

As your leader, I hope that my high expectations and belief in your ability instills confidence in you. I want to teach you how to do things, not do them for you. I want you to believe in yourself as much as I believe in you. I want to see you charge wholeheartedly into the adventure of selling LuLaRoe and then be astounded at what you're able to accomplish. I want YOU to do these things for yourself so you can one day turn around and lead others.

The Pygmalion effect is the phenomenon that states that the greater the expectation placed upon someone, the better they will perform. Studies have shown a positive correlation between leader expectation and follower performance. It is commonly illustrated with the example of Eliza Doolittle in My Fair Lady, a role made famous by Audrey Hepburn.

I would like us all to approach ourselves, our customers, our hostesses, our downline and our dear sweet new point of sale system Audrey this way. Have faith, belief and confidence in them and they just might surprise you with what they are capable of.

I look forward to hearing about your triumphs, working with you through obstacles and celebrating with you as you hit the milestones ahead.

xoxo, Katie May



TEAM GRACE, CHARM AND HUSTLE

#TEAMGRACECHARMANDHUSTLE
GraceCharmAndHustle@Gmail.com

2016 TEAM INCENTIVE

Make "Trainer" by December 31, 2016

Receive a \$100 Amazon Gift Card

Incentive provided courtesy of Team Coach
Katie May Mooney

2016 TEAM MOTTOS

"Good things come to those who hustle."

"You can do anything, but not everything."

Exhibit D

RECEIVED

RECEIVED

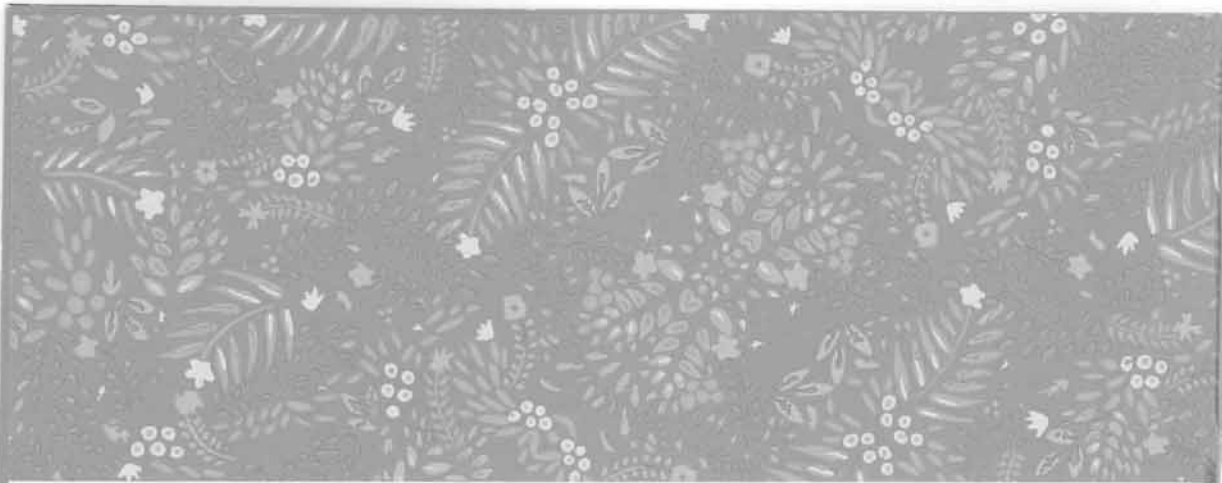
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By Consumer Protection at 1:07 pm, Mar 24, 2020

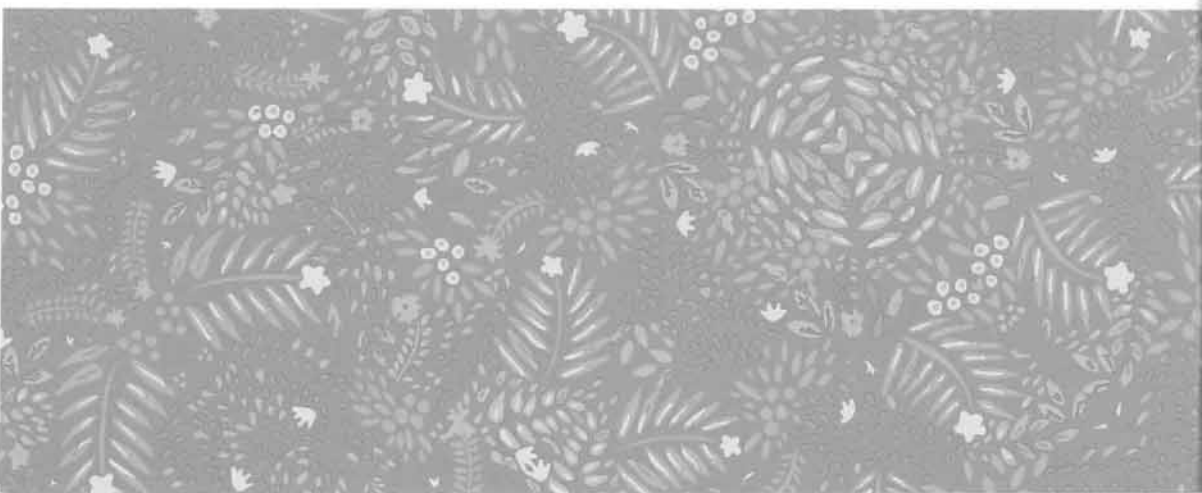


simply comfortable

JOIN THE MOVEMENT



LuLaRoe;
where through fashion we create freedom, serve
others and strengthen families. A place where lives
are being blessed and dreams achieved through
love, confidence, purpose and growth.



What would your ideal way to earn a
living look like?

FLEXIBILITY

to work around the million
other things you do

INDEPENDENCE

so your success is defined by you

SATISFYING

in more ways than just the paycheck

FASHIONABLE

because we want to help women
look and feel their best

FUN

who doesn't like to have fun?

THIS IS LULAROE

BEING A FASHION CONSULTANT IS SIMPLE!

BOOK POP-UP BOUTIQUES

Invite friends, family and anyone you know, or just met, to host their own Pop-Up Boutique with you. The freedoms that come with booking Pop-Up Boutiques are endless and in your hands! Create a schedule that fits your lifestyle. Branch out and meet new people at your own pace. It is so fun seeing how excited the Hostesses get when they earn free clothes. It is also rewarding to see how beautiful and confident women feel when trying on our clothes. You will love holding Pop-Up Boutiques.

SHARE THE OPPORTUNITY

LuLaRoe believes that anyone, anywhere has the ability to share the amazing opportunity LuLaRoe has to offer! It can be as easy as wearing one of our Maxi skirts at the grocery store, or handing out your business cards when you pay a bill at a restaurant! One direct way to ensure that your LuLaRoe business will succeed is by growing your clientele and your potential T.E.A.M. People are intrigued and excited by another's personal triumphs! Share with those interested about your success and how they too can have a business of their own and the freedom that comes with it! Now go, share that LuLaRoe love and help others achieve their dreams.

FUNDRAISERS

At LuLaRoe we are all about giving back and helping others achieve their dreams! Giving back is woven into the culture of LuLaRoe and we support all who choose to take part! For the Fundraisers you join or host, on top of any money raised, LuLaRoe will contribute \$1.50-\$3.00 (depending on the item) for each item sold! LuLaRoe loves nothing more than giving back to a cause or foundation that is dear to you!

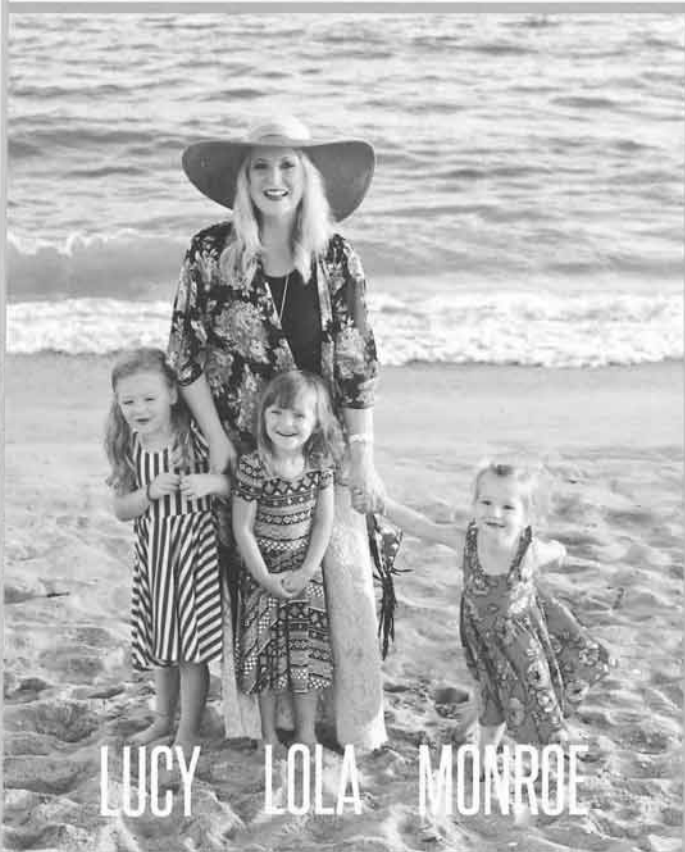


Our Story

"Give a woman the right skirt and she can conquer the world!"

I believe in you... There are perhaps no more impactful words than these, yet how often do we hear those words? DeAnne Stidham heard them, and at a crucial time in her life. She was a single mother raising seven children and trying to balance time at work and at home. She was desperate to find a way to be a mom, provide for her family and to have the time to be with her children as they grew.

While struggling to make ends meet, DeAnne met a pair of dress wholesalers and was inspired to start a company that liquidated end-of-season dresses through Pop-Up Boutiques. The wholesalers saw in DeAnne the talent and drive to make her dreams a reality. They believed in her. DeAnne's desire to be at home with her children and the faith that others showed in her allowed her to succeed during difficult circumstances. And so, The Dress Party was born!



You can do it... Prior to The Dress Party DeAnne had found success in network-based marketing. It was during this time that she learned an important lesson; "if you want to be someone who gets things done, act like you already are". This self-empowering idea crystallized in her mind, directly leading to her success with The Dress Party.

Ever since she was a young girl, DeAnne dreamed of creating her own clothing line. With the help of her husband Mark, LuLaRoe was launched.



As LuLaRoe grew DeAnne knew she could not do this alone, so she turned to her family and those she trusted and admired to utilize their individual and unique talents to help the company grow. She came to believe that if she wanted someone else to be successful, she would treat them as if they were, and they would become that successful person. This idea, known as the Pygmalion Effect, dramatized in the movie *My Fair Lady*, helped lead to the creation of LuLaRoe.

I BELIEVE IN YOU and YOU CAN DO IT are the basic principles guiding LuLaRoe today. The culture of the company was born out of DeAnne's desire to share her experiences and to provide her family and others a foundation for personal success.

LuLaRoe exists to provide an opportunity for people to create freedom and achieve their dreams by selling comfortable, affordable, and stylish clothing. By offering Consultants the independence to set their own pace and schedule, and the time to spend with those closest to them, DeAnne has passed on the things she once dreamed for herself.

LULAROE IS GROWING, LIVES ARE BEING CHANGED, FAMILIES ARE
BEING STRENGTHENED AND DREAMS ARE COMING TRUE DAILY.
WE ARE SO EXCITED FOR YOU TO BE A PART OF IT!

JOIN THE MOVEMENT

DEANNE SELLS 20,000
SKIRTS ON HER OWN
OVER 6 MONTHS

1ST MAXI SKIRT
IS CUT & SEWN
BY DEANNE FOR HER
DAUGHTER NICOLE

YEAR END:
145 CONSULTANTS
10 EMPLOYEES

1ST WAREHOUSE
3,300 SQUARE FEET
SEPTEMBER

1ST LULAROE
INCENTIVE CRUISE
(21 QUALIFIED)

TRAINING BONUS
PLAN CREATED
JANUARY

CONVENTION
ONTARIO, CA
(160 ATTENDEES)

2012

2013

2014

DEANNE HAND SEWS
SKIRTS AND DEMAND
EXPLODES

LULAROE IS
OFFICIALLY STARTED

1ST CONVENTION
SEPTEMBER
(60 ATTENDEES)

LULAROE HIRES
INTERNAL DESIGN,
DEVELOPMENT AND
PRODUCTION FOR ALL
LULAROE PRODUCTS

MOVED TO LARGER
6,300 SQUARE FOOT
WAREHOUSE

PRESIDENT'S COUNCIL
CREATED

1,000 CONSULTANTS
MARCH

YEAR END:
750 CONSULTANTS
28 EMPLOYEES

2,000 CONSULTANTS
JULY

11 PRODUCTION FACILITIES
(1.2MM PIECES
PRODUCED MONTHLY)

YEAR END:
5,130 CONSULTANTS
150 EMPLOYEES

3RD LULAROE
INCENTIVE CRUISE
(225 QUALIFIED)

2015

2016

LULAROE CREATES
OWN EXCLUSIVE
FABRICS

2ND LULAROE
INCENTIVE CRUISE
(42 QUALIFIED)

MOVED TO 40,000
SQUARE FOOT
WAREHOUSE

EXPAND TO
INTERNATIONAL
PRODUCTION

3,500 CONSULTANTS
OCTOBER

CONVENTION
ONTARIO, CA
(1000 ATTENDEES)

ADDED ADDITIONAL
125,000 SQUARE FOOT
WAREHOUSE

LULAROE CHANGED MY LIFE!

JAMIE DENVER, CO / SINGLE

"One of my biggest goals has been to not have a boss, and LuLaRoe offered me the opportunity to do that and thrive. It allowed me to take the plunge and take the risk to make my life goals happen. I work half as much as I used to and I make twice as much. IT IS AMAZING. My quality of life has been so much better because I get to be me and I am much happier. I feel more alive, I feel like more of an entrepreneur. To make someone else happier and successful is worth it. I have been able to help others and bless others. I want to share my joy with everyone."



EATONVILLE, WA / MARRIED / 2 KIDS UNDER 5 **LINDSEY**



"LuLaRoe gave me back my identity and my sense of self. When I decided to start, it was very scary, but I never allowed myself to think negatively. Yes it is work, but it is so worth it when you see your goals and dreams being realized. I can be a mom and be successful and happy. When I feel doubt and fear, LuLaRoe gives me perspective to get over my life hurdles and thrive. It showed me strengths and passion that I never knew I had! LuLaRoe allows people to get out of their heads and conquer their fears. It allows everyone to be successful and to be the person they have always dreamed to be."

BAKERSFIELD, CA / MARRIED / 2 BOYS UNDER 4

TORI



"LuLaRoe started off just as a hobby. A couple months into it my husband lost his job. LuLaRoe has been our everything. It has allowed us to not only survive but to thrive. It allows me to make an impact on the lives of those that I come in contact with. I can show others that there is hope during dark times. It allowed me to find something within myself that I never knew was there. I can thank LuLaRoe for giving me hope and purpose while making my dreams come true."

AMY

SAN CLEMENTE, CA / MARRIED / 4 BOYS

"LuLaRoe has changed my life in so many ways. It has allowed me to contribute to my family's lives. I have always wanted more purpose but I didn't have a vehicle to allow those gifts and talents to come out. I knew that I could do something to inspire women and those around me. LuLaRoe has allowed me to achieve my dreams. I found purpose because I love what I do. LuLaRoe has allowed me to break through my shell of insecurities. I have become more free, easy going and more true to myself. My life has changed for the better and it has allowed me to work and help my family while still being a Mom and a wife. We are not just selling clothes, we are bringing answers to prayers and a better lifestyle for all."



EVA, AL / MARRIED / 4 KIDS UNDER 14

HEATHER



"My husband and I could not make ends meet and we had just moved to Alabama. LuLaRoe swept in and saved our lives. It allowed us to pay our rent, and buy groceries when we didn't have the means to do that. LuLaRoe was there when we needed it the most. My business has skyrocketed. I am talking to more people, and making more friends than I ever have. It provided my family the lifestyle we once had. Don't be scared to fail!"

PROUD SUPPORTERS!



Sam, Stacey Inscoe's Husband – LuLaRoe has made me appreciate my wife more. We were in counseling for a long time and we were on the brink of divorce. I used to take her for granted. I knew dinner was always there and she was always going to be home when I came home at night. I was comfortable. When she started LuLaRoe, I realized how busy she was and I resented how much it took her away from me. Finally, we sat down and talked about it and I realized that LuLaRoe didn't take her away from me, it brought her back to me. It made me appreciate her and miss her more. I know that when she walks out that door that she will be back, but I will miss her every second she is gone. LuLaRoe has made us ten times stronger than we ever were because she is successful and happy outside of our home.

To those husbands whose wives are just starting LuLaRoe I would say: back her up! Give her ALL the support she needs. Be the gentleman she dreams of and help her at all the parties that you can. Do everything you can to help her and you'll understand what LuLaRoe is really about. It's more than the money. She is able to make people happy and my wife can't stop smiling since the day she started.



Chad, Timbre Young's Husband –LuLaRoe helped us buy our home. For the longest time we couldn't do it and LuLaRoe helped push us over the top in order to help us make a significant amount of money in order to buy a house. It has also brought us together and helped us work as a team. At first I thought her "business" was a hobby. It wasn't until I saw how happy it made her and how successful she became that I knew it was an amazing opportunity for us. I even went as far as to build her a mobile Boutique. We call it her "Fashion Truck."

"For those husbands who are skeptical I would say that if it makes your wife happy you should praise and support her success, and she will succeed."





HOW YOU MAKE MONEY

HOW MUCH IS UP TO YOU!

BOOK POP-UP BOUTIQUES

The first and foremost way to make money as a LuLaRoe Fashion Consultant is through Pop-Up Boutiques. This is where you set up your merchandise at a Hostess' home or at an event, and customers buy the product directly from you. There is no sales presentation, spiel, or catalogs to shop from. Your customers can try your products on, fall in love with them, and leave with the items they want. The more Pop-Up Boutiques you hold, the more money you can make. Your schedule is in your hands. Whether you want to commit to making full-time income or are looking for supplemental funds for your personal goals, LuLaRoe is here to support you in achieving your dreams. The more time you commit to your business, the more success you can have.

BECOMING A SPONSOR

By sharing the LuLaRoe Opportunity with those around you, you will be able to sponsor new Fashion Consultants onto your LuLaRoe team. As these new Fashion Consultants grow their businesses you can earn additional income based on their sales. The more new Fashion Consultants you sponsor, the more you can earn.

We believe that anyone can reach their goals and dreams if they know how to get there. That is why we encourage our Fashion Consultants to coach, train and support each other. When we work together to build a business great things happen.





START BUILDING THE BUSINESS OF YOUR DREAMS!

Your Starter Kit is designed to get you on the road to success. Filled with valuable marketing materials, relevant information and on-trend fashion pieces, it is everything you need to start your career and achieve your dreams as a LuLaRoe Fashion Consultant.

YOUR STARTER KIT INCLUDES:

PRODUCT:

From skirts to dresses, leggings to tops, your new LuLaRoe product will excite you and your customers. With custom prints and fabrics these pieces are bound to sell themselves when customers see them and try them on!

THANK YOU CARDS / INVITES:

Customers want to feel loved and thought of! So send your potential customers our pre-designed thank you cards or invites for your next Pop-Up Boutique!

PLANNER:

Filled with inspiring quotes, space for notes, and your Home Office contacts! We wanted to create a planner for you to go to and rely on while planning your future, scheduling Pop-Up Boutiques and living your dreams with LuLaRoe!

POP-UP BOUTIQUE ASSETS:

We want you to feel as prepared and ready to make your Pop-Up Boutique as rewarding and beautiful as possible so we have supplied you with some fun and useful assets to make your Pop-Up Boutiques that much more amazing!

PRODUCT INFORMATION:

Inside your starter kit will be a set of fabric swatches for those curious and interested in knowing exactly what each piece is made from! You will also find our Product Guide that is a great resource to help you answer some of those interesting and on the spot questions.



BELIEVE IN YOU!

"You can design your life. You can decide the type of person you want to be. You can become a person of poise, charm, beauty and confidence. You can have a beautiful home, car, clothes, or anything you desire. You can have anything! You are an individual. You are important. You are especially designed. You are neither smaller nor larger than any other person in the world. You have a special job to do and enjoy and should not compare yourself with any other person in the world.

May I challenge you to dare to dream big dreams for yourself and your loved ones. You can be anything you want to be and can have anything you want to have."

- Jim Jones, If You Can Count to Four



WHAT ARE YOU WAITING FOR??

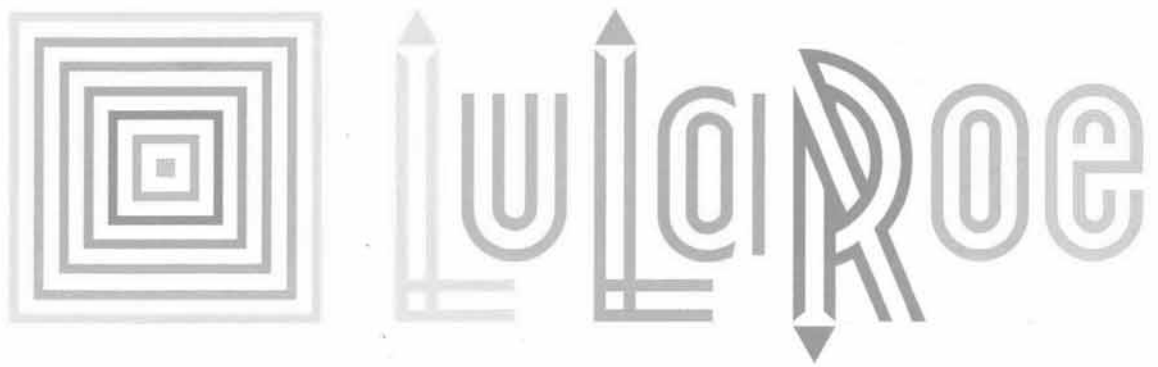
So many opportunities await you when you become a Fashion Consultant! Create the business you want, the clientele and the schedule that fits best into your life! We want to see you succeed and strive daily to create a community of loving people to be a support system for you and help you achieve your dreams!

Get in Contact with the Consultant who gave you this booklet and learn how to get started as a Fashion Consultant with LuLaRoe!

Come visit us at www.lularoe.com or reach us by phone at (951)-737-7875 (US).

YOUR FASHION CONSULTANT

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simply comfortable

WANT TO EARN
FULL-TIME INCOME
FOR PART-TIME WORK?

ASK ME HOW!

Padilla
213 S 60th St
Tacoma WA 98408



Seattle F3DC 981
SAT 21 MAR 2020 PM

Attn: Victoria Suner
Attorney General's Office
Consumer Resource Center
800 Fifth Ave. Suite 2000
Seattle, WA, 98104

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STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

LLR, Inc.; LLR LULRAROE, Inc.;
LENNON LEASING, LLC; MARK A.
STIDHAM; DEANNE S. BRADY a/k/a
DEANNE STIDHAM; AND JORDAN K.
BRADY,

Defendants.

NO. 19-2-02325-2 SEA

DECLARATION OF JULIE ^{DOB}
BECKWITH

Julie A. Daciuk-Beckwith

I, ~~JULIE BECKWITH~~, declare as follows: ^{DOB}

1. ^{Julie A Daciuk-Beckwith} I make this declaration based on my personal knowledge of the matters set forth herein and, if called upon to testify, I could and would testify competently thereto. My knowledge is based upon my direct personal involvement with LLR, Inc., a Wyoming Corporation, doing business as LLR LuLaRoe, Inc. ("LuLaRoe").

2. I lived in Vancouver, Washington, from 2014 through 2019. Today, I reside in ^{Westminster, DOB} West Minister, Colorado. From approximately October 2015 through February 2017, I was an Independent Fashion Retailer ("IFR") with LuLaRoe. As such, I purchased products from LulaRoe at wholesale, and sold them to consumers at retail.

3. My retailer ID is [REDACTED]

4. I was originally drawn to LuLaRoe because its products were comfortable and

1 well suited for my body type.

2 5. After purchasing a few pieces, I went to the LuLaRoe website to find a local
3 consultant who was closer to me. LuLaRoe's Retailer Map showed there were about five IFRs
4 (displayed as dots), in the greater Vancouver, Washington area.

5 6. One of the IFRs near me was Jennifer Binder ("Jennifer"). I reached out to
6 Jennifer, and she recruited me to join LuLaRoe as an IFR and became my sponsor. She informed
7 me there were only 3,000 IFRs nationwide.

8 7. Prior to joining, Jennifer encouraged me to listen to a LuLaRoe "Opportunity
9 Call." I listened to several of these calls, which were held by Deanne Brady ("Deanne"). I recall
10 Deanne stated several times that there were only 3,000 IFRs during the opportunity calls. Deanne
11 was very positive during these calls. She would often say things like, "You at are the bottom
12 level," and "We are just building the company; the sky is the limit." Deanne told us her story of
13 how LuLaRoe began and how she made money by sewing and selling "Maxi" skirts. I recall her
14 saying something along the lines of, "If you work your business you can make thousands a
15 month." My impression from these calls was that I could make a lot of money from LuLaRoe.

16 8. I believed there were a small number of IFRs nationally. The Retailer Map
17 showed there were approximately only five IFRs in my local area, and that played a huge part in
18 my decision to sign up as an IFR.

19 9. The flexibility of the business opportunity that LuLaRoe marketed also drew me
20 to the opportunity. I had been a stay-at-home mom since my oldest son was born. LuLaRoe
21 really sold the idea that you could work part-time hours but make full-time money, and still have
22 time to do everything you need to do as a stay-at-home mom.

23 10. Jennifer also emphasized the message that we could make thousands of dollars a
24 month. According to her, she made \$3,000-\$4,000 a month in profit working a few hours after
25 her full-time job. Jennifer later quit her full-time job to pursue her LuLaRoe business. Jennifer
26 told me I could expect to sell between \$4,000 and \$6,000 in LuLaRoe product per month.

1 11. The phrase "Part-time work for full-time pay" was commonly associated with
2 LuLaRoe in social media. I would often see it in print material with the LuLaRoe branding theme
3 in the background.

4 12. This part-time work full-time pay message was even included in the onboarding
5 package. I received after joining LuLaRoe. I received a poster in my onboarding package that
6 stated "WANT TO EARN FULL-TIME INCOME FOR PART-TIME WORK? ASK ME
7 HOW!" When holding sales events called "pop-ups," I placed the poster out for my customers
8 to see. The thank you cards that I handed out when customers made purchases also had a similar
9 phrase.

10 13. Based on all the information I received about LuLaRoe, my expectation of
11 income was approximately \$1,000 a month as I planned to work part-time. LuLaRoe was an
12 attractive opportunity because it was always my intention to be a mom first and IFR later.

13 14. So in October 2015, I borrowed the amount of money needed to join LuLaRoe
14 from my mother. My initial order with LuLaRoe was about \$5,500. In addition to inventory, I
15 spent approximately \$1,500 on initial start-up costs such as a printer, racks, hanger, laser printer,
16 thermal printer, bags for shipping, and a mannequin.

17 15. While I was an IFR, I received the same tips over and over from Home Office
18 and my upline on how to grow my business and recruit others. I was told to adhere to the "72
19 Hour Game Plan" and always order to keep my inventory "fresh" and exciting. This Game Plan
20 was heavily pushed by Home Office and IFRs in my upline as the key to success.

21 16. I was also told by Jennifer and others in my upline to bring friends and anyone
22 interested in the business to LuLaRoe events as a recruitment opportunity. I viewed all LuLaRoe
23 events as recruiting events, regardless of what they were called or what the focus of the event
24 was because my upline told me bringing friends to a LuLaRoe event was a great way to gain
25 recruits.
26

1 17. Many official LuLaRoe events involved Mentors getting on stage and giving
2 testimonies about their success because of LuLaRoe. I recall testimonies about how IFRs were
3 able to quit their jobs because of LuLaRoe, retire their spouses because of LuLaRoe, pay off
4 mortgages because of LuLaRoe, buy new vehicles, and take lavish vacations because of
5 LuLaRoe. Typically, there were approximately five to six thousand attendees at the conventions.
6 During one convention, a Mentor named Kim Roylance ("Kim") got on stage and showed a
7 massive bonus check of a million dollars. Other Mentors also talked about their bonus checks,
8 which were in the thousands of dollars. Seeing these large bonus checks made me think I could
9 make significant money through the Leadership Bonus Program. As a result of this information,
10 I concluded I could make more recruiting than through retail sales in participating with LLR.

11 18. I sponsored my first IFR in November 2015 and achieved Trainer status in August
12 2016.

13 19. During the weekly training calls for all IFRs, LuLaRoe emphasized that our
14 customers would mostly likely become our downline, so it was important to always portray
15 success and publicly attribute any success to LuLaRoe. Any public displays of concern or
16 negativity were discouraged and could result to disciplinary action.

17 20. Following these methods taught to me by LuLaRoe, I eventually personally
18 recruited eight IFRs and with their recruits, I eventually built a team of 25 IFRs. As the
19 Leadership Bonus Plan gave a percentage of a new IFR's wholesale purchases, I would estimate
20 that I could receive roughly \$500 in bonus payments for each person who onboarded. These
21 bonuses were based on a percentage of product purchased by each IFR recruited. Once, after a
22 heavy month of recruiting efforts by myself and my team, I made a \$4,000 bonus check.

23 21. Throughout my entire time as an IFR the emphasis was to constantly and overly
24 replenish our inventories. This advice came from Deanne on weekly meetings and was repeated
25 by my sponsor and upline, which included Mentors Megan Parker and Kim Roylance. Both my
26 upline and LuLaRoe would suggest, if sales were low in a particular month, the solution was to

1 buy more product to give our customers more options. If an IFR had prints that didn't sell, the
2 solution LuLaRoe offered was to buy new product and pair it with the items that were not
3 moving. LuLaRoe even said it was the IFRs' own fault when certain undesirable prints didn't
4 sell because they said we weren't doing enough pop-ups and getting the product out in front of
5 others. They encouraged us to wear what doesn't sell so that people will be exposed to it and
6 possibly buy it right off your back.

7 22. In hindsight, it seems to me that the core of LuLaRoe's business was selling
8 wholesale merchandise to IFRs. From my participation in LuLaRoe, it was the clear that IFRs,
9 not consumers, were LuLaRoe's customers. IFRs conveniently bought the bulk of LuLaRoe's
10 inventory at practically retail prices. There was very little emphasis in trainings of actually
11 selling the product at retail. Rather, the training focused on building inventory and recruiting
12 others. I remember being often told to carry 10 to 15 pieces per size, per style. I, and other IFRs,
13 touted high inventory numbers like a badge of honor. LuLaRoe provided training that stated the
14 "sweet spot" was to carry 800 to 1,200 pieces, but in my opinion, the sweet spot was salty in the
15 end, when you ended up sitting on those pieces that you couldn't sell.

16 23. Mentors regularly posted images of these beautiful prints on social media to
17 entice their downlines to order new product. Because LuLaRoe did not permit IFRs to choose
18 prints, I would buy large quantities of product in the hopes of getting one of the attractive, rare
19 "unicorn" prints. The IFRs in my team also often purchased large amounts of inventory to
20 hopefully receive some of those unicorn prints.

21 24. These efforts were all the sadder because, in my observation, it did not seem like
22 all IFRs had an equal chance of receiving "unicorn" prints. After I left LuLaRoe, I learned of
23 allegations that an elite group of Mentors could place special orders for specific prints. This was
24 extremely unfair because IFRs were only supposed to be able to specify size and style when
25 ordering and should not have had any control over what prints they received. In response to these
26 allegations, LuLaRoe stated that this elite group of Mentors was a "beta testing team," however

1 no one I knew had ever heard of this "beta testing team" before they were exposed, and it seemed
2 like the "beta testing team" was made up to do damage control.

3 25. During my time at LuLaRoe, LuLaRoe IFRs were often encouraged to swap
4 garments with other IFRs to keep their inventory fresh. I typically did in-person swaps at
5 someone's house, but LuLaRoe also had a feature in the Bless App where you could swap
6 inventory with another IFR. Because I could not pick prints in my order, I often swapped to
7 better control the prints in my inventory.

8 26. Looking back, I believe women who simply wanted to help their families become
9 just a little more financially stable were manipulated to join LuLaRoe and overbuy once they
10 had. I have seen posts in Facebook groups of IFRs who had stated participating in LuLaRoe led
11 their families into further financial instability.

12 27. During my time as an IFR, I frequently raised concerns I had about LuLaRoe. I
13 raised concerns regarding the constant shortage of inventory to buy, defective clothing, and
14 frequent shipments with missing items or with back-order postcards. I would sit on the phone
15 for hours trying to get the missing items and if lucky, I would end up with only back-order
16 credits, never a refund for the unshipped items. Many of my concerns, I attributed to growing
17 pains. At the time, I had faith in the company and believed Mark and Deanne had our best
18 interests at heart as they frequently commented, and so I followed the advice LuLaRoe gave me
19 to grow my inventory.

20 28. Toward the winter of 2016-2017, I noticed that it became much harder to sell
21 LuLaRoe merchandise at retail. I believe this was the result of how many new IFRs LuLaRoe
22 was bringing on. It appeared to be an onboarding frenzy. After February 2017, I became
23 concerned with the negative reviews on social media regarding the poor quality of LuLaRoe's
24 products. I decided to stop being a LuLaRoe IFR and began to sell off my inventory. I did so
25 because a considerable portion of my inventory was more than one year old and would not have
26

1 qualified for a refund. Additionally, I hoped to sell the garments at cost to other IFRs and not
2 incur the shipping costs and 10 percent restocking fee.

3 29. Around the same time, I began to see posts on social media of women leaving
4 LuLaRoe and experiencing some issues with the 90 percent refund. Later, LuLaRoe changed its
5 refund policy to 100 percent, which I understand was announced to try to prevent IFRs from
6 selling the product below cost. While I could have qualified to return items during that policy, I
7 did not trust LuLaRoe would handle my refund fairly or swiftly, so I continued to sell off my
8 inventory. At that time I decided to stop being an IFR, I had over 1,000 unsold LuLaRoe pieces,
9 with a wholesale value of nearly \$20,000. I discounted my inventory heavily to sell it off,
10 sometimes by as much as 70 percent of retail, and sometimes at even more of a loss. I repaid my
11 mother with the proceeds of my sold inventory and officially quit my LuLaRoe business in June
12 2017. I was left with nearly \$250 of merchandise that I could not sell. I sent those garments to
13 LLR and received a full a refund for those items.

14 30. The reason I am coming forward and submitting my testimony in this matter is
15 that I became very uncomfortable with how I saw IFRs being manipulated by LuLaRoe, both
16 before joining LuLaRoe and once in LuLaRoe.

17 31. I have personally observed top Mentors and others encourage women to take
18 extreme steps to raise the money needed to join LuLaRoe. Ideas and suggestions included selling
19 breastmilk, borrowing from family, taking cash advances out on credit cards, getting a second
20 job, taking out a second mortgage, working overtime, borrowing against a 401K, and cashing
21 out of an IRA. Some of these suggestions came directly from Deanne during Trainer calls. Most
22 of these suggestions were listed in social media posts by Mentors.

23 32. I also felt that things were just as extreme after joining LuLaRoe. In my
24 experience, LuLaRoe created an exaggerated frenzy and hyped everything up. I disagreed with
25 the suggestions from LuLaRoe and high level Mentors to encourage others to take on what I
26 think is unnecessary financial risk to join.

1 33. In my opinion, LuLaRoe used sales tactics to create a false frenzy amongst IFRs.
2 In reacting to the false frenzy that LuLaRoe created, I saw adult women, both IFRs and
3 consumers lose their minds over certain prints. LuLaRoe created an artificial sense of scarcity
4 by telling IFRs that only 5,000 pieces were printed in each print. This resulted in a frenzy
5 amongst IFRs and consumers alike. I am not sure that prints were actually done in limited
6 quantity, as I once got a shipment of approximately 100 leggings, of which approximately half
7 were the same print. I do recall discussions in Facebook groups, where women talked about
8 buying large quantities of inventory in hopes of getting a “unicorn” print. Mentors suggested
9 bundling five undesirable prints with a “unicorn” print as customers will buy all of the bundled
10 items just for that one “unicorn” print.

11 34. In addition to the cost of the wholesale merchandise, I spent significant out-of-
12 pocket costs on my business. I spent about \$1,500 for hanger, racks, shipping supplies and other
13 promotion print material. During my time as an IFR I purchased about \$64,000 of wholesale
14 clothing from LuLaRoe, and sold nearly \$95,000 of wholesale clothing as an IFR. If you consider
15 that nearly 50 percent was cost of goods and deduct other costs such as taxes paid, transportation
16 to and from events, supplies and other continual expenses of running the business, it appears to
17 be a wash. According to my accountant the LuLaRoe business opportunity net me \$1,200 after
18 all was said and done. The profit derived did not account for the countless hours working for
19 which I did not draw a salary.

20 35. I feel LuLaRoe misled me about the business opportunity in several ways.
21 LuLaRoe did not accurately and transparently disclose the actual hours needed to effectively be
22 an IFR. When attending the Opportunity Calls, LuLaRoe only spoke of the hours needed to do
23 a show. I never received information from the Company about the countless hours needed to
24 unpack, photograph, post, transport, invoice, and ship clothing sold.

25 36. I also feel LuLaRoe used manipulative tactics to encourage IFRs to load up on
26 inventory, convincing them that more inventory was the solution to all issues. In my opinion,

1 LuLaRoe was self-serving in its push to recruit IFRs regardless of market saturation in that
2 LuLaRoe made its money from us not the consumers.

3 37. Additionally, I emphasized that 90 percent Cancellation of Business policy as a
4 fall back for women I recruited and know many in my downline relied on it. I personally relied
5 on the contractual language regarding the 90 percent refund, hence making the opportunity low
6 risk. But I understand from Facebook groups I was a part of that when the time came to pay out
7 on that contract LuLaRoe was not swift and fair, and many IFRs waited many months to receive
8 a refund. It seemed unreasonable to wait more than 30 days for a refund. Some women who
9 posted on the groups stated they waited six months or more for their refunds.

10 38. In October 2018, I gave an interview to *The Spokane-Review* about my experience
11 in LuLaRoe. A copy of the article is attached to this declaration as Exhibit A.

12 39. I declare, under penalty of perjury under the laws of the State of Washington, that
13 the foregoing is true and correct.

14 DATED this 10 day of July, 2020, at Jefferson county, colorado.


15
16 
17 JULIE BECKWITH
18 Julie A.
19 Daciuk-Beckwith
20
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26

Exhibit A

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LuLaRoe gig leaves vendors with clothes they're unable to sell

Wed., Oct. 24, 2018, 8:45 a.m.



Julie Beckwith poses for a photo in her Vancouver home on Tuesday afternoon. Beckwith was a vendor for LuLaRoe clothing from October 2015 to February 2017. At top, a rack of LuLaRoe shirts is seen at Spanky's Legendary Consignment on Tuesday afternoon. (Nathan Howard / Columbian)

By Calley Hair

Columbian



Consignment stores traditionally sell gently used items. But on a recent afternoon at Spanky's Legendary Consignment on Southeast Mill Plain Boulevard, the racks were flush with brand-new clothes: 24 pairs of one-size-fits-all leggings, 35 dresses, a handful of skirts on the clearance rack.

These days it's not an unusual sight, said Spanky's owner, Rachel Phillips. Never-worn pieces from LuLaRoe, a multilevel marketing company that sells soft, comfortable clothing designed to fit all body types, are being consigned to the store in huge batches. Cut from stretchy material, the garment brand is known for its geometric and floral-patterned leggings, printed T-shirts and modestly cut dresses.

"There's a lot of local vendors, mostly women, who have gotten into the business of sending LuLaRoe," Phillips said. "It hasn't turned out the way they thought it would."

In the last year or so, she said, Spanky's has seen an uptick in the volume of never-worn LuLaRoe clothing from local retailers who invested in the company's products, but had trouble selling their merchandise.

"They come to us because they need a way out and they need to get rid of their inventory and recoup some of the money they've invested," Phillips said. "It's a win-win for us, because there is demand for the LuLaRoe products. And we're able to provide brand new clothing for the customer, and also help the consignor."

The Vancouver market is a tiny slice of LuLaRoe's full reach. At its peak, Bloomberg reported in April, the clothing company had an estimated 150,000 retailers across 50 states.

But it's representative of a pattern playing out all over the country, with vendors – mostly women and stay-at-home moms – scrambling to recoup their losses after buying in to the company's stated goal of helping them make money from home, only to find the market oversaturated.



A rack of LuLaRoe shirts is seen at Spanky's Legendary Consignment on Tuesday afternoon. Over the past year, independent vendors have been consigning brand new clothing from the brand as a way to recoup some of their expenses, said Spanky's owner Rachel Phillips. (Nathan Howard / Columbian)

How it works

LuLaRoe is a multilevel marketing company that works by selling its clothing line through independent consultants. Those consultants start by buying in, usually a few thousand dollars worth of product, then operate as an autonomous business, managing their sales and inventory. It's a format often employed by health supplement companies such as Herbalife or LifeVantage. Popular cosmetic companies Avon and Mary Kay use the model.

As LuLaRoe vendors sell more clothing and recruit other potential vendors to join, they're able to advance up the company ladder and eventually make a cut of sales from the consultants they've recruited.

It's pitched as a way to make money from home while working a flexible schedule. The company's website reinforces this mission: "LuLaRoe is a community of social selling entrepreneurs, offering individuals the opportunity to achieve their dreams by connecting people to product," the website states. "LuLaRoe was created to help others succeed, and provide an opportunity to have the freedom and flexibility that comes from building your own business at your own pace. This creates the time to spend with your family."



A rack of LuLaRoe leggings is seen at Spanky's Legendary Consignment on Tuesday afternoon. Popularized for their unique designs and one-size-fits-all fabric, the brand's leggings are among LuLaRoe's signature garments, even as controversy surrounds the company's treatment of its independent retailers. "It's a win-win for us, because there is demand for the LuLaRoe products. And we're able to provide brand-new clothing for the customer, and also help the consignor," said Spanky's owner Rachel Phillips. (Nathan Howard / Columbian)

What it's like

That flexibility is what attracted former local retailer Julie Beckwith.

"I had been a stay-at-home mom since my oldest son was born," said Beckwith, now a mother of four. "I really liked the idea. They really sold this idea that you could work part-time hours but make full-time money, and still have time to do everything you need to do as a stay-at-home mom."

Beckwith was also drawn to the body-positive side of the brand, she said.

"I'm a curvy gal, and it's kind of hard to find clothes for plus-size bodies that designers make the same as smaller clothes," Beckwith said. "They were these amazing, soft, comfy leggings – that fit!"

That was in October 2015. Beckwith did some research and found stories of women making thousands of dollars selling leggings. She decided she wanted in.

"At that time, the buy-in to become a consultant was over \$6,000. My mom gave me a loan. She believed in me."

In her first year, business was booming, Beckwith said. She sold around \$70,000 worth of inventory in 2016, with events booked every weekend and sales over Facebook. The hours exceeded part time – she estimates she was putting in around 50 or 60 hours a week – but they were flexible, with the majority of her work taking place over the weekend or while her kids were sleeping.

She recruited more vendors. At the time, she said, it was an easy sell.

"They kind of found me, actually. At that point, the company was so appealing to people and so many people knew about it, I just talked about my experience and how much I loved it. And how much cash I was bringing in," Beckwith said. "I quickly built a team and I ranked up to the 'trainer' level."

Around the holidays, things started to sour. The company had started to receive some bad press regarding faulty products – "leggings would show up in our boxes and they would be wet. Or people would put on their leggings and go through a

hole,” Beckwith said – and vendors waiting months to receive refunds.

The culture had started to shift, too, away from the supportive sisterhood vibe that had attracted her in the first place. Beckwith recalled one conversation with a fellow retailer, who was told by her higher-ups that she should put her kids in day care and devote more time to selling.

“That was the beginning of the end for me,” Beckwith said. She placed her last order in February 2017 and was able to sell all of her merchandise.

“Unlike some people at this point – at the point that I got out, there was still enough interest in the clothing that I was able to sell everything off,” Beckwith said.

She sat down and did the math. She had sold \$70,000, and half of that went to buying wholesale merchandise. Of the remaining \$35,000, a cut went to her higher-ups. Still more went to taxes, transportation, supplies and other expenses of running a business.

When all was said and done? “I made about \$1,200,” Beckwith said.

She now works part time at a Vancouver day care center.

Asked if she’d do it again, her answer was immediate. No. Definitely not. But there were some upsides.

“I think it taught me a lot about myself, and taught me some good lessons in how to run a business,” Beckwith said.



A rack of LuLaRoe shirts is seen at Spanky's Legendary Consignment on Tuesday afternoon. Over the past year, independent vendors have been consigning brand-new clothing from the brand as a way to recoup some of their expenses, said Spanky's owner Rachel Phillips. (Nathan Howard / Columbian)

Stretched thin

An emailed request for comment from LuLaRoe's corporate media team was not returned to The Columbian by this article's deadline. The "press" and "contact" pages on the company's website were broken links.

LuLaRoe is facing a \$1 billion lawsuit from vendors who are calling the brand a pyramid scheme. Filed last October, the suit alleges that the Corona, Calif.-based company pressured its vendors to rack up credit card debt, and focused more on getting its retailers to buy in than on actually selling clothing to be worn by customers.

According to suit documents, retailers "were inundated with the slogan 'buy more sell more' and were told they would recoup their investments through retail sales and recruitment."

From a market standpoint, the plentiful supply of garments is driving the prices down, and retailers are competing intensely with one another to sell.

Those who can't sell sometimes turn to consignment stores like Spanky's to unload their remaining inventory, trying to avoid taking a total loss. Phillips said the practice has become fairly commonplace with local vendors in just the last year.

"It's kind of sad, some of the stories we've heard. People have put thousands of dollars into purchasing product and they're not able to sell it," Phillips said.

Of course, having brand-new LuLaRoe clothing available at second-hand prices puts further pressure on the independent retailers. It's a tough spot, Phillips said.

"I feel really bad for all of the LuLaRoe vendors, and I would never want to hurt their business by selling their product at our store, which unfortunately would be the case. But it's also nice to help out the gals that are stuck with a lot of product."

PUBLISHED: OCT. 24, 2018, 8:45 A.M.

Tags: [LuLaRoe](#), [news](#), [sales](#), [vendors](#), [Washington](#)

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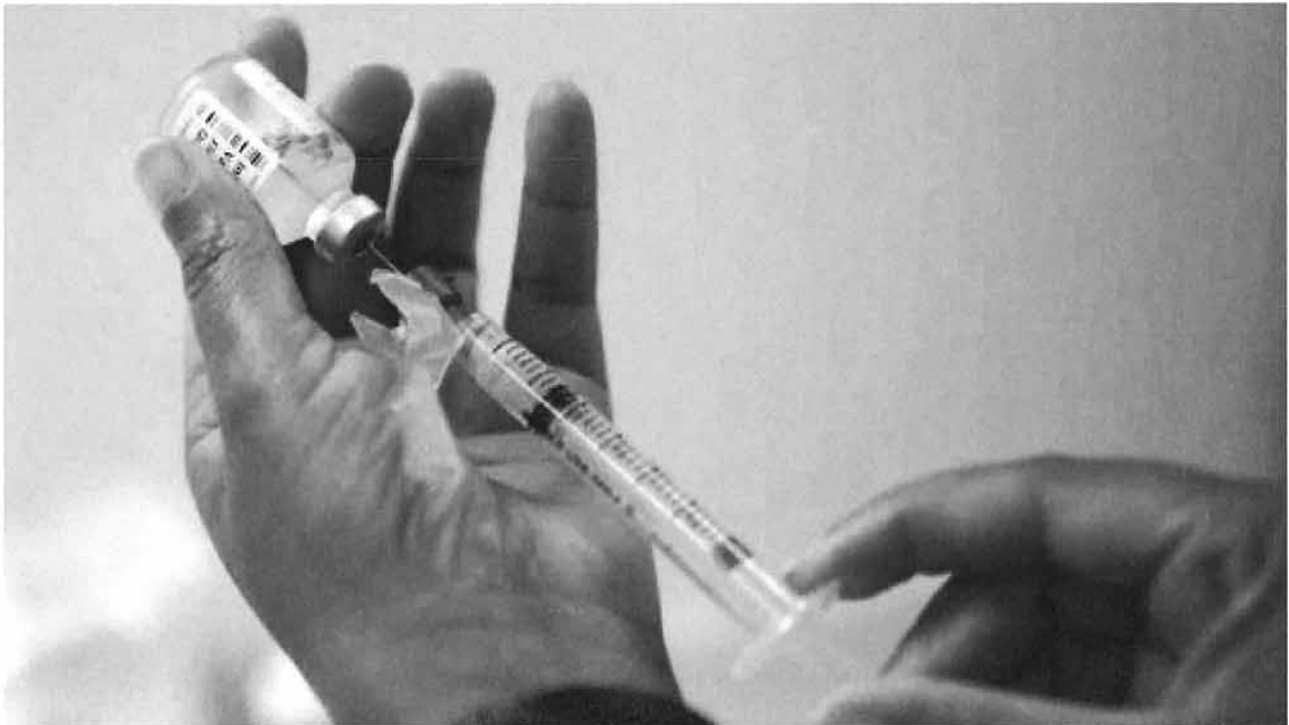


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STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,

Plaintiff,

v.

LLR, Inc.; LLR LULRAROE, Inc.;
LENNON LEASING, LLC; MARK A.
STIDHAM; DEANNE S. BRADY a/k/a
DEANNE STIDHAM; AND JORDAN K.
BRADY,

Defendant(s).

NO. 19-2-02325-2 SEA

DECLARATION OF LAURA
SPENCER

I, LAURA SPENCER, declare as follows:

1. I make this declaration based on my personal knowledge of the matters set forth herein and, if called upon to testify, I could and would testify competently to thereto. My knowledge is based upon my direct personal involvement with LLR, Inc., a Wyoming Corporation, doing business as LLR LuLaRoe, Inc. ("LuLaRoe")

2. My name is Laura Spencer. I also go by the name Laura Camilleri.

3. I live in Kirkland, Washington.

4. I am preparing to go back to school to receive my teaching certificate.

5. I participated in LuLaRoe's Independent Fashion Retailer Program as an Independent Fashion Retailer (IFR) from approximately October 2016 through approximately September 2017.

1 6. My retailer ID is [REDACTED]

2 7. During my time as an IFR, I sometimes referred to my business as "LuLaRoe
3 Laura Mary," and "Olivia's Toy box."

4 8. I came to know of LuLaRoe from my friend Greta Huber ("Greta") who
5 frequently purchased LuLaRoe clothing and knew I was looking for in-home employment. I was
6 hoping to help my disabled sister pay her mortgage since our mother recently passed away and
7 my sister was struggling without our mother's assistance.

8 9. Due to my husband's work schedule I am a stay-at-home parent unable to accept
9 a position with traditional 9:00 A.M. to 5:00 P.M. schedule. I was looking to make an additional
10 approximately \$2,500.00 per month. Per Greta's advice, I did some online research regarding
11 LuLaRoe and found many YouTube posts by Joelle Day ("Joelle") and Nicole Foss ("Nicole")
12 who were both IFRs at the time.

13 10. I noted that Joelle, who lived in Auburn, California at the time, seemed to be the
14 face of LuLaRoe and very active on YouTube. I also recall seeing a poster that stated, "Want to
15 Earn Full-Time Income for Part-time Work? Ask Me How!" during one of Joelle's YouTube
16 videos, perhaps when she was showing what came in a Starter Kit. I may have also seen that
17 poster in YouTube videos of other consultants, as I watched a few of them. I was mostly excited
18 about the opportunity to work part time from home regardless of income.

19 11. I also went to the LuLaRoe website, and visited the Retailer Map, which had an
20 indicator of where there were consultants. I noticed there were very few Washington consultants.
21 I concluded I was getting in on the ground level of this work-from-home opportunity, as there
22 appeared to be no consultants anywhere near me. The lack of consultants near me as seen in the
23 Retailer Map strongly affected my decision to join LuLaRoe.

24 12. I watched several YouTube videos where Deanne Brady ("Deanne") told her
25 story and explained the business opportunity. I was attracted by the female empowerment and
26 comradery Deanne spoke of. I liked the idea of being involved with a company that supported

1 moms who wanted to stay at home with their children. I felt it was a unity of women who were
2 just like me. I was attracted to Deanne's emphasis on family and women who wanted just to
3 make a little extra money to help. I concluded the business was a great fit to my needs. Family
4 roles in my home are quite traditional. I always wanted my primary focus to be my daughter and
5 not my families' income.

6 13. I reached out to both Joelle and Nicole via messenger and recall specifically
7 asking Joelle about market saturation. Joelle responded, "[W]e are FAR from saturated ☺ there
8 are only 15K reps." I sent a screenshot of this message chain to the Office of the Attorney
9 General on March 19, 2020. A copy of this screenshot is attached as Exhibit A to this declaration.

10 14. In response to my questions about the LuLaRoe business opportunity, Joelle also
11 sent me an email on or around June 1, 2016, with the subject "Fwd: LuLaRoe Goodness" which
12 listed nine "commonly asked questions." The email had answered questions about the start-up
13 costs being only "\$5,000-6,000" and that "All you need to do is buy the clothes so you can start
14 selling!" It also noted that I could "net around 40-50% of your sales" noting that I could achieve
15 this working "4-6 hours a day." It explained that "if I fail miserably," that LuLaRoe "will also
16 buy back all your clothes for 90% of what you paid." I forwarded this email to the Office of the
17 Attorney General on March 19, 2020. A copy of this email is attached to this declaration as
18 Exhibit B.

19 15. Based on the information I received about LuLaRoe, I concluded I could easily
20 reach my goal of earning \$2,500.00 profit per month by selling the clothing while my child slept
21 during the day. Additionally, if the business took off as I hoped it would, once I was established
22 and grew a team I hoped to make \$5,000 - \$6,000 a month in bonuses from leading a team.

23 16. I decided to proceed forward with the opportunity but had to find a way to finance
24 my initial investment. I began doing odd jobs such as house cleaning, pet sitting, and assisting
25 those who needed help moving. Once I saved enough to buy the Starter Kit, I reached out to
26

1 Joelle who then placed me on the team of Lisa Thurston ("Lisa") from Port Orchard,
2 Washington.

3 17. I was placed in a team called "Queue Club" as I waited for my onboarding call.
4 This was a team of women who had joined LuLaRoe but not yet placed their initial order. The
5 women were commonly referred to as Queue B's. When called I purchased an initial package
6 that cost approximately \$4,000 and supplemented with a package of leggings, totaling nearly
7 \$5,000 of merchandise. Additionally I spent \$1,400 for hangers, clothing racks, and other
8 miscellaneous supplies to start my LuLaRoe business. I began listening to the Weekly Webinars
9 and was placed in Joelle's Facebook team, which was called "Awesome Sauce."

10 18. As part of my Starter Kit from LuLaRoe, I received marketing materials,
11 including business cards, a spiral binder about the company, generic thank you cards, an
12 organizer, and a poster that stated, "WANT TO EARN FULL-TIME INCOME FOR PART-
13 TIME WORK? ASK ME HOW!" Joelle encouraged us to display the poster during our sales to
14 help recruit new IFRs to our teams.

15 19. I do not recall receiving any formal training on how to actually sell merchandise
16 from LuLaRoe or Joelle. Most of what I learned or knew came from following Joelle's Team
17 Awesome Sauce page on Facebook.

18 20. A common theme on Joelle's team page was along the lines of, "More
19 merchandise means higher chance of success." Joelle commonly posted that successful
20 consultants have 10-15 pieces per size and style. Joelle also stated the sweet spot for success was
21 between 1,800 to 2,000 pieces of inventory. Joelle often led by example. When asked questions,
22 Joelle tended to offer vague responses and follow with her experience. Joelle responded with
23 phrases like, "the average time to make your investment back is 3-4 months, but it took me a
24 month," "last week I made \$3,000," or "I now work 4-6 hours a day."

25 21. Mark Stidham ("Mark") and Deanne Brady ("Deanne") also stressed the
26 importance of building inventory during weekly webinars. The inherent message from the

1 weekly meetings, and that were repeated by Joelle, was do whatever you can to assure your
2 success and that starts with having a large inventory, because "you can't sell what you don't
3 have." They made suggestions like get a new credit card, pull from a line of credit on your home,
4 and even borrow from friends. LuLaRoe implied any and all means were justified to join
5 LuLaRoe and subsequently build your inventory. I often heard messages like, "You are the only
6 thing in your own way."

7 22. I followed these suggestions and grew my inventory as large as I could in an effort
8 to meet my goal of \$2,500.00 net profit per month. The goal seemed very attainable and realistic
9 when Joelle talked about her sales and her inventory, so I believed I was on the right track. Joelle
10 suggested to reinvest in inventory as question #5 of the commonly asked questions. *See Exhibit*
11 *B.*

12 23. In general, it was my understanding that leaders who participated in the
13 Leadership Bonus Plan were in charge of disseminating information from Home Office. Hence
14 I trusted that all information or direction from Joelle or other leaders in my upline was an
15 authorized message from Home Office.

16 24. When I didn't achieve my goal, I concluded it was because I didn't have enough
17 inventory. I recall watching a video clip where Deanne said something like: you don't take
18 money out of your business for the first 90 to 120 days, you need to pour everything back into
19 your business, the more you have the more you are going to sell.

20 25. Based on LuLaRoe's training that carrying a large inventory would lead to
21 success, I continued to build my inventory despite not meeting my sales goals.

22 26. During my time as an IFR I was approached by two women for sponsorship and
23 I declined. At that point I was uncomfortable leading others because I wasn't happy with the
24 way things were going for me and my overall experience as an IFR. I had very little direct contact
25 with Joelle after signing up. It seemed her interest in my personal success ended once she had
26 recruited me. Since I was in her downline could see Joelle's Facebook posts and live streams. I

1 continued to watch YouTube videos of Joelle and other Mentors for direction.

2 27. I recall watching weekly webinars where top Mentors would be featured, and they
3 would often talk about having a strong social media presence. They would flaunt their success
4 via use of social media and in turn encourage IFRs to post daily, with themes like, be the person
5 others aspire to be. The Mentors encouraged us to post and show how our lives were positively
6 improved as a result of the LuLaRoe business opportunity.

7 28. For almost a year, I followed the direction of LuLaRoe, which was reinforced by
8 messaging from Joelle and others in my upline on how to be successful. I realized I was dragging
9 my five year old daughter all over town, at all hours. I spent hours behind the scenes prepping
10 to make my pop-ups successful. I put in more hours than I ever had during a full-time job. Instead
11 of spending quality time with my daughter, I had a cranky child who was fighting for her mom's
12 attention.

13 29. My excessive travel and time away from home and family was also putting a
14 strain on my marital relationship. I didn't mind working hard but was discouraged that the
15 amount of hours needed to be successful were not accurately disclosed. I had believed based on
16 the "part-time work, full-time pay" marketing that LuLaRoe would be that type of opportunity.

17 30. I opted to leave because this was not the lifestyle I was looking for, and LuLaRoe
18 was not a fit for my needs. I began to question the integrity of Deanne's words when I heard
19 suggestions like, "Get a daycare provider if needed to grow your business." LuLaRoe was not
20 enforcing what it appeared to stand for in terms of traditional family values.

21 31. When LuLaRoe announced the 100 percent Cancellation of Business buy back
22 policy in 2017, I viewed it as an opportunity to leave the business with no monetary consequence
23 for my involvement. I had been with LuLaRoe for less than a year and thought with this policy,
24 I could return my merchandise for a refund at wholesale price. I followed the instructions
25 provided by LuLaRoe and sent my request to the cancellations email on or about August 24,
26

1 2017. LuLaRoe acknowledged my cancellation but never sent a link to complete my formstacks
2 of what inventory I was planning to return.

3 32. I patiently waited because I imagined things were delayed with the rush of exiting
4 IFRs. I did not fear the policy would end because I recalled LuLaRoe's announcement in writing
5 around June 2017 stating the policy was not going away.

6 33. On or about September 13, 2017, I became aware that LuLaRoe suddenly
7 changed its policy, and that despite saying the 100 percent refund policy would never go away,
8 that LuLaRoe was now no longer honoring it. I sent an email to LuLaRoe asking if the
9 announcement that LuLaRoe would no longer be paying 100 percent was true but did not receive
10 a response. I forwarded this email chain to the Office of the Attorney General on March 18,
11 2020. A copy of this email chain is attached as Exhibit C to this declaration.

12 34. On or about October 10, 2017, I received a generic email acknowledging my
13 cancellation and telling me to wait for the next steps email. I forwarded this email chain to the
14 Office of the Attorney General on March 19, 2020. A copy of this email chain is attached as
15 Exhibit D to this declaration.

16 35. On or about November 3, 2017, I received another email with the link to fill out
17 my inventory count and specific instruction to count only the inventory purchased from LuLaRoe
18 in the past 12 months. I forwarded this email chain to the Office of the Attorney General on
19 March 18, 2020. A copy of this email chain is attached as Exhibit E to this declaration.

20 36. I printed out a list of the inventory I purchased in the last 12 months from
21 LuLaRoe by going into Build and printing out all my purchases. I inventoried and included only
22 pieces that were on that list as part of my return. I decided to proceed forward under the 90
23 percent policy, because by this point I had lost faith in the company and realized their claims
24 about expected income claims were not true.

25 37. During my time as an IFR I recall LuLaRoe suggesting during the weekly
26 webinars that IFRs swap inventory as a way to keep inventory fresh. They even facilitated the

1 transfers by developing an app for it. Although I had used the Bless application to swap inventory
2 with other consultants I did not try to return those items. I understood that under the current
3 return guidelines those items would not be returnable and did not count those items as part of
4 my return request. Additionally, at the suggestion of LuLaRoe, I processed all of my sales
5 transactions (including merchandise swaps) through LuLaRoe's POS system called Bless.

6 38. My tally of qualifying returnable merchandise was approximately \$6,000.00
7 wholesale. As I had been with LuLaRoe for less than a year, all of my merchandise was
8 purchased within the year of when I decided to cancel. My understanding was that those
9 garments should have qualified for a refund under the current 90 percent refund per the
10 Cancellation of Business policy.

11 39. On or about November 22, 2017, I received an email from LuLaRoe titled
12 "Return Form Rejected," with an offer of "Up to \$1,620.08." The email outlined my purchases
13 from LuLaRoe within the last year and my sales within the last year, with no explanation of how
14 the offer was calculated. I forwarded this email chain to the Office of the Attorney General on
15 March 18, 2020. A copy of this email chain is attached as Exhibit F to this declaration.

16 40. I wrote back to LuLaRoe on December 8, 2017, asking for a clarification,
17 believing there was an error in the calculation. I continued to follow up with LuLaRoe until I
18 received an explanatory email from LuLaRoe. I forwarded this email chain to the Office of the
19 Attorney General on March 18, 2020. A copy of this email chain is attached as Exhibit G to this
20 declaration.

21 41. On or about December 14, 2017, LuLaRoe sent me an email explaining that I
22 purchased \$9,782.15 within the last 12 months and sold \$16,324.15 retail in the last 12 months.
23 The retail sales are then calculated to a wholesale value (50 percent of \$16,324.15 = \$8,162.07)
24 and subtracted from your orders. ($\$9,782.15 - \$8,162.07 = \$1,620.08$) This then gives us your
25 maximum return amount \$1,620.18 explaining this is where the sum of \$1,620.08 was derived.
26

1 I forwarded this email chain to the Office of the Attorney General. A copy of this email chain is
2 attached as Exhibit G to this declaration.

3 42. I responded to LuLaRoe on or about December 15, 2017, explaining this
4 calculation was flawed and unfair because the sum of sales included sales of merchandise I
5 purchased from other consultants using the Bless application but did not take into account the
6 purchase cost of that merchandise. I expressed my discontent and further reminded LuLaRoe
7 that I initiated cancellation during the 100 percent buyback and not only was grandfathered into
8 that refund policy but now LuLaRoe was applying an equation that was not fair and not listed in
9 the Policies and Procedures. I forwarded this email chain to the Office of the Attorney General
10 on March 18, 2020. A copy of this email chain is attached as Exhibit H to this declaration.

11 43. I followed up with another email December 18, 2017 advising I would like
12 LuLaRoe to consider purchases from other consultants into the equations since they are
13 considering the sale of that merchandise. After a series of emails I rejected their offer and asked
14 to speak to the next level of management. On the same day two minutes after my request for a
15 supervisor's review I received a response email from cancellationreturns@Lularoe.com
16 basically stating have your lawyer contact legal@lularoe.com. I forwarded this email chain to
17 the Office of the Attorney General on March 18, 2020. A copy of this email chain is attached as
18 Exhibit I to this declaration.

19 44. I followed up on December 19, 2017, reminding LuLaRoe that my contract with
20 LuLaRoe indicates that I would be refunded 90 percent of the wholesale price that I paid for
21 qualified items. I received a response advising based on their calculation there is no way that I
22 would have an additional \$3,402.15 of merchandise purchased from LuLaRoe. I replied that I
23 understand the explanation provided but would like to see a copy of the policy and or the
24 amendment that states LuLaRoe will factor in previous years sales when calculating refunds. I
25 followed up with yet another email including the language from policies and procedures section
26 3.16.3 and asked LuLaRoe to highlight the portion of the policy that states LuLaRoe will deduct

1 sales from refunds. I forwarded this email chain to the Office of the Attorney General on March
2 18, 2020. A copy of this email chain is attached as Exhibit J to this declaration.

3 45. On or about December 20, 2017 LuLaRoe replied with the same explanation and
4 the conclusion that the only way I could have additional items purchased from LuLaRoe is if I
5 were selling 10 to 15 percent above minimum advertised price ("MAP"). Given that my sales in
6 July averaged \$20 per item it was highly unlikely, "logic speaks that you sold what you bought
7 so that is how it works." LuLaRoe concluded by saying, "We have clearly stated this multiple
8 times and will not be again." I forwarded this email chain to the Office of the Attorney General
9 on March 18, 2020. A copy of this email chain is attached as Exhibit K to this declaration.

10 46. On or about December 22, 2017, I sent another email again advising that most of
11 what I sold were items I bought from other consultants and most of what I had left and was trying
12 to return were items that didn't sell from my initial order. I also reminded LuLaRoe that
13 LuLaRoe set up the transfer ability in the Bless application and encouraged it. LuLaRoe further
14 required IFRs to use Bless POS system for all transactions. I forwarded this email chain to the
15 Office of the Attorney General on March 18, 2020. A copy of this email chain is attached as
16 Exhibit L to this declaration.

17 47. I became discouraged and realized that the cost to hire an attorney to pursue my
18 refund would most likely outweigh the return. At this point, I also did not want to incur the
19 shipping costs to send back my inventory. I calculated that if I sold each remaining piece for \$2
20 I could make more than the \$1,620.08 LuLaRoe had offered me.

21 48. I felt deceived and taken advantage of. LuLaRoe played with my livelihood by
22 not honoring their written policy. I became exasperated from the communications with LuLaRoe
23 and decided I wanted to put the entire experience behind me. LuLaRoe was unfair in their
24 business ethics, applying calculations and policies that were not written in the contract.

25 49. I feel LuLaRoe specifically targeted mothers who wanted to make extra money
26 by working from home. From my perspective, LuLaRoe and the leadership team deliberately

1 mislead IFRs with income claims and withheld vital information that would have affected a
2 reasonable person's decision to partake in the business opportunity.

3 50. LuLaRoe did not honor the verbiage in their own policy regarding the 90 percent
4 refund upon Cancellation of Business, even when I pointed out the contractual language.

5 51. Despite LuLaRoe not honoring my agreement with them, I felt a strong sense of
6 community and responsibility with the females who had embraced LuLaRoe as an opportunity
7 for empowerment and comradery. I did not want to undercut my community of local women
8 who were doing this as a means to support their families. Even though I was tempted when
9 LuLaRoe failed me, I purposefully chose not to sell below the MAP. In different Facebook
10 groups, I saw what was going on with women who were losing business as a result of the IFRs
11 who were going out of business and selling below wholesale price. It is my character to always
12 stay above board and I didn't want to hurt the sisterhood of women who were still trying to make
13 an income by selling LuLaRoe. I also saw posts in Facebook groups of women who tried to take
14 their merchandise to consignment shops and were turned away.

15 52. I opted to gift some of the clothing to needy families but even with those
16 donations, I still have approximately \$6,000 of wholesale merchandise sitting in bags in my
17 garage. Had LuLaRoe honored their 90 percent refund policy, I believe I would have received
18 about a \$5,400 refund.

19 53. I declare, under penalty of perjury under the laws of the State of Washington and
20 the United States of America, that the foregoing is true and correct.

21 DATED this 15th day of July, 2020, at Kirkland, Washington.

22
23 
24 LAURA SPENCER

Exhibit A

From: Laura Spencer [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Message

Date: 2020-03-19 20:17:58 -0700

Importance: Normal

Inline-Images: image0.png

Facebook [signal bars] [Wi-Fi icon]

8:17 PM



LuLaRoe Joelle...

Messenger



oh heyy! Of course
you can talk to me



What is your email
address?



06/01/2016, 9:12 PM

and we are FAR from

**saturated 😊 there
are only 15K reps**

Seen

**Do you want to set
up a time to talk?**



Aa



Sent from my iPhone

Exhibit B

From: Laura Camilleri [REDACTED]

To: [REDACTED]

Subject: Fw: LuLaRoe Goodness

Date: 2020-03-19 20:09:55 -0700

Importance: Normal

Attachments: LuLaRoe_Business_Overview.pdf; LuLaRoe_Consultant_Agreement.pdf;
Onboarding_Package_as_of_5-2016.PDF

From: Joelle Day [REDACTED]

Sent: Wednesday, June 1, 2016 9:18 PM

To: [REDACTED]

Subject: LuLaRoe Goodness

Here is a list of the commonly asked questions I get from people who are interested in selling as well as some helpful attachments.

1. Start up cost? Only \$5,000-\$6,000. There are no other membership or start up fees. All you need to do is buy the clothes so you can start selling!
2. How do I come up with my initial investment? Easy! Yard sales, personal loans, a credit card with 0 interest for 12 months, a family member. People always find a way when they get bit by the LuLaRoe bug!
3. What comes with my initial investment? LOTS and LOTS of clothes! 300+ pieces to be exact. LuLaRoe wants you to be successful as soon as you start and with a big inventory you will have successful parties right off the bat and start building loyal customers (or as I like to call them "addicts" haha)! You also get 25 FREE pieces when you sign up which is worth about \$700 retail!! Woohoo!
4. How long will it take to make back by initial investment? The average is 3-4 months. It took me a month.
5. How much can you make? You are your own boss, you can make as much as your want! Last week I made around \$3000. You net about 40-50% of your sales (which means you keep about \$15 for every item sold) the other portion you put back into your business.
6. How much do you have to work? I worked a lot in the beginning because I was figuring out my groove. Now I work 4-6 hours a day. I decide when and where I work, and what works best for my family.
7. Is there a monthly order requirement? They would like you to order at least 33 new pieces a month (your first order counts for three months!) I just finished a two day sale and sold over 200 pieces, which means I made about \$4k. I order at least 700 pieces a month, and usually make all my money back within the first sale after every order I place. People LOVE these clothes!
8. What if I fail miserably? One thing I know FOR SURE is I am and will be successful and anyone who is on my team and willing to work will be right there with me. :) LuLaRoe is a new company with only 12,000 reps in all of the US!!!! There is so much room for growth with this company!

The company will also buy back all your clothes for 90% of what you paid. So if you buy all your clothes and don't sell one thing and then decide to send them back you will only lose around \$550. That obviously won't happen but just thought I would throw that out there.

9. How do you sign up?!

- Let me know you are ready to go and I will send you a link to fill out a short application to join our team!
- Sign and send in your contract to onboarding@lularoe.com If you don't have a scanner, you can take a picture of the signature pages, as well as void check, your consultant ID #.
- Wait 8-12 weeks for LuLaRoe to email you saying they will call you so you can place your order!

Once you have done this, I will send you a "to-do" list you can start working on while you wait for the call to start!!!

Please let me know if you have any questions, I am here to help! And we can also set up a time to chat :).

--

Joelle Day



www.facebook.com/lularoejd

<https://instagram.com/lularoejoelleday/>

Exhibit C

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 18:48:03 -0700

Importance: Normal

----- Forwarded message -----

From: **LuLaRoe Laura Mary** [REDACTED]

Date: Wed, Sep 13, 2017 at 10:00 PM

Subject: Labels

To: cancellationsworkflow@lularoe.com <cancellationsworkflow@lularoe.com>

Aaron,

I have not received labels and I just saw that I will no longer be reimbursed 100% and my shipping will not be paid. Is this true.

Thanks,
Laura

Get [Outlook for iOS](#)

Exhibit D

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-19 09:23:20 -0700

Importance: Normal

----- Forwarded message -----

From: **Cancellation Returns** <cancellationreturns@lularoe.com>

Date: Tue, Oct 10, 2017 at 10:55 AM

Subject: Re: Labels

To: Lularoe Laura Mary [REDACTED]

Hello Lularoe Laura

We want to thank you for your patience with us as we continue to improve our communications and work flow for someone wishing to cancel their business. Please note that we are thorough in this process and want to provide the highest level of service to you, while also processing each requests in the order received through each step of the way. We are in receipt of your request to return inventory as part of your business cancellation. As we help you finalize this process, we will notify you with next steps. With that being said, we are not there quite yet, so please watch for next step communication to come to your inbox soon.

cancellationreturns@lularoe.com

--

cancellationreturns@lularoe.com

On Wed, Sep 13, 2017 at 10:00 PM PDT, Lularoe Laura Mary [REDACTED] wrote:

Aaron,

I have not received labels and I just saw that I will no longer be reimbursed 100% and my shipping will not be paid. Is this true.

Thanks,
Laura

Get [Outlook for iOS](#)

Exhibit E

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 19:22:46 -0700

Importance: Normal

----- Forwarded message -----

From: **Cancellation Returns** <cancellationreturns@lularoe.com>

Date: Fri, Nov 3, 2017 at 4:15 PM

Subject: Re: Labels

To: Lularoe Laura Mary [REDACTED]

Hello Lularoe Laura

We are confirming receipt of your Business Cancellation, and following-up for additional information that is needed to process your request.

We have made some system updates to improve the efficiency of the Return on Cancellation process. Those updates will help keep you informed through the steps of the return process.

You are receiving this notice because we need some additional information that will help account for your inventory at present. Please complete the return authorization request form by clicking [HERE](#).

Please have your Retailer ID and Current BUILD Email Address available to start this process.

Once you have entered this information from the Return Authorization Request screen, you will be asked to provide an accurate count of the inventory that you have purchased in the last 12 months and that meets the guidelines of product permitted for return as stated in Policy 3.16.3.

Once the form is completed and submitted, please allow time for our T.E.A.M. to evaluate your request. You will be notified by email after we have reviewed your information and will be advised on next steps to complete the process.

If you need to verify your inventory on hand against what you have ordered and is in compliance with the Policy and Procedures, please follow the steps below to review your order history in [BUILD](#).

Steps to review your inventory purchase history:

1. Go to build.mylularoe.com
2. Input your username and password
3. Go to MY ORDERS

We again thank you for your patience. We will communicate with you throughout the updated process.

In order to provide the most efficient service possible, this message has been delivered to those currently in the Return On Cancellation process.

If you have received this message in error and are not cancelling your business, please send an email to notcancelling@lularoe.com and indicate as such. Thank you

--

cancellationreturns@lularoe.com

On Tue, Oct 10, 2017 at 10:53 AM PDT, Cancellation Returns <cancellationreturns@lularoe.com> wrote:

Hello Lularoe Laura

We want to thank you for your patience with us as we continue to improve our communications and work flow for someone wishing to cancel their business. Please note that we are thorough in this process and want to provide the highest level of service to you, while also processing each requests in the order received through each step of the way. We are in receipt of your request to return inventory as part of your business cancellation. As we help you finalize this process, we will notify you with next steps. With that being said, we are not there quite yet, so please watch for next step communication to come to your inbox soon.

cancellationreturns@lularoe.com

--

cancellationreturns@lularoe.com

On Wed, Sep 13, 2017 at 10:00 PM PDT, Lularoe Laura Mary [REDACTED] wrote:

Aaron,

I have not received labels and I just saw that I will no longer be reimbursed 100% and my shipping will not be paid. Is this true.

Thanks,
Laura

Get [Outlook for iOS](#)

Exhibit F

From: Olivia's Toy box
Subject: Fwd: Returns Form Rejected
To: Suner, Victoria (ATG)
Sent: March 19, 2020 1:27 AM (UTC+00:00)

----- Forwarded message -----

From: **LuLaRoe Home** <lularoehome@lularoe.com>
Date: Wed, Nov 22, 2017 at 6:47 AM
Subject: Returns Form Rejected
To: [REDACTED]



HELLO! HELLO!
THANK YOU FOR ALL YOU DO!

Hello Laura

Thank you for your patience as we work through the proper steps in the cancellation of your business. We have completed a review of your orders from the last 12 months, your sales and your compensation reports. Based upon this review, you may qualify for a refund of up to \$1,620.08. Below is a description of how this number has been calculated.

Last 12 months orders: \$9,782.15

Last 12 months sales: \$16,324.15

Last 12 months Compensation: \$0.00

Maximum return amount: Up to \$1,620.08

Return Upon Cancellation of Business Reminders:

1. Only product purchased by consultant from LLR

2. Resalable condition*
3. Only product purchased in the past year
4. Reimbursed 90% of original purchase price
5. Shipping and handling paid by consultant
6. Bonuses paid during the past year and through July 2017, may be deducted from amount owed
7. * Resaleable condition:
 - a. Unworn, unwashed, folded, with original hang tags
 - b. See original packaging and hangtag provisions below as related to Policy 3.16. (see below)
 - c. Product must be able to be sold at full wholesale price
 - d. Product must be returned within in one year of purchase

Please click [here](#) to fill out the Tracking and Return Authorization number submission form. Your RA # is CAN-58698865-00001. **This must be written clearly on all boxes and is required before you can submit your forms for return authorization.** You will also need to provide the tracking number of your boxes in the return request form. **You must also clearly label the outside of each box with the number of that box in the series, e.g. if you are sending three boxes each box needs to be label as such, box 1 of 3, box 2 of 3 and box 3 of 3.**

YOU MUST FOLLOW STEPS 1, 2 AND 3 BELOW OR YOUR BOXES WILL BE REJECTED AT THE DOCK AND RETURNED TO SENDER.

1. RA number listed clearly listed on the outside of each box
2. Number of pieces in the box must be clearly stated on outside of the box
3. Boxes clearly numbered in sequence
4. Mail to
LuLaRoe
11618 Mulberry Ave
Fontana, CA 92337

“Upon the cancellation of an Independent Fashion Retailer’s Agreement,

the Independent Fashion Retailer may return products and sales aids for a refund. In order to receive a refund from LLR pursuant to this policy, the following requirements must be met:

The items being returned must have been personally purchased by the Independent Fashion Retailer from LLR (purchases from other Independent Fashion Retailers or third parties are not subject to refund);

The items must be in Resalable condition (see Definition of “Resalable” below); and

The items must have been purchased from LLR within one year prior to the date of cancellation.

Upon receipt of the Resalable products and sales aids, the Independent Fashion Retailer will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Retailer when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Retailer was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Retailer based on that product purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed “Resalable” if each of the following elements is satisfied: 1) they are unworn, unwashed, folded with hang tags and in original packaging*; 2) packaging and labeling has not been altered or damaged*; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to LLR within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as non-returnable, discontinued, or as a seasonal item, shall not be Resalable. Items that are returned that are not Resalable will be donated to a charity selected by LuLaRoe and no refund or exchange will be issued.

“*WE WILL WAIVE THE ORIGINAL PACKAGING REQUIREMENT IF THE PRODUCT WAS REMOVED FROM ITS PACKAGING TO BE PRESENTED FOR SALE. THE PRODUCT MUST STILL RETAIN ORIGINAL HANG TAGS. IF THE ORIGINAL HANG TAG HAS MARKINGS OR STICKERS, BUT THE PRODUCT REMAINS IN RESALEABLE CONDITION WE WILL ALSO WAIVE THE REQUIREMENT FOR THE LABELING TO BE UNALTERED.

CREATE. SERVE. STRENGTHEN. BLESS. DREAM.

Exhibit G

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 18:32:00 -0700

Importance: Normal

----- Forwarded message -----

From: **Cancellation Returns** <cancellationreturns@lularoe.com>

Date: Thu, Dec 14, 2017 at 9:46 AM

Subject: Re: Labels

To: Lularoe Laura Mary [REDACTED]

Hello Lularoe Laura,

You purchased **\$9,782.15** within the last 12 months from your cancellation date. You have sold **\$16,324.15** at retail value in the last 12 months from your cancellation date. Your retail sales is then calculated into a wholesale value worth and subtracted from your orders. This then gives us your maximum return amount **\$1,620.08**. Please note because your form was rejected you are only going to be refunded up to your maximum amount. If you send in all your inventory you will not be paid any more than your maximum amount.

--

cancellationreturns@lularoe.com

On Tue, Dec 12, 2017 at 10:13 PM PST, Lularoe Laura Mary [REDACTED]

wrote:

Are you ever going to respond to my multiple questions? What must I do?

Get [Outlook for iOS](#)

On Fri, Dec 8, 2017 at 12:29 PM PST, Lularoe Laura Mary [REDACTED]

wrote:

I am not sure why my number is so low for what you are willing to take back? This is my second email asking. I am also not sure what was sent back to me? AM I supposed to do a trouble ticket? Please let me know why I was offered \$1600 when I sent forms listing \$6,000 worth of WS inventory. Your numbers are not clear. My accountant has also run the numbers and we are all very confused. It is not fair to use the amount I sold as a base point unless you are going to also add the amount I bought WS from other consultants. Which was encouraged in LULAROE. Please clarify your numbers promptly. My money has been held up long enough. I have respected Lularoe. Respect me back.

thanks,
Laura

On Thu, Nov 9, 2017 at 5:43 PM PST, Lularoe Laura Mary [REDACTED] wrote:

Oh my goodness!!! Thank you! Sorry about that.

Get [Outlook for iOS](#)

On Thu, Nov 9, 2017 at 1:43 PM PST, Cancellation Returns <cancellationreturns@lularoe.com> wrote:

Hello Laura

The initial order is on the second page of the orders. Hit the "Older" link.

--

cancellationreturns@lularoe.com

On Thu, Nov 9, 2017 at 11:55 AM PST, Lularoe Laura Mary [REDACTED] wrote:

Thank you for your prompt reply. I was just going to fill out my return and cross check with my orders and I noticed my initial order is no longer on my orders? Can you tell me why? I would like to return some of it. It is all within the year of my signing up and my resignation. I was only a consultant for nine months. It is out of my control how long my resignation sat at your end. I realize you are busy and not judging that, but it does not seem fair to not be able to include all of the inventory I ordered in the year time frame of my resignation. Please advise.

thanks,
Laura

Exhibit H

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 18:32:48 -0700

Importance: Normal

----- Forwarded message -----

From: LuLaRoe Laura Mary [REDACTED]

Date: Fri, Dec 15, 2017 at 9:01 PM

Subject: Re: Labels

To: Cancellation Returns <cancellationreturns@lularoe.com>

So if you include all the money that I sold then I will also need to send you all the pay pal receipts from the purchases I made from other consultants wholesale. That way you will know the true amount of what I purchased. It was encouraged to buy from others. Your numbers don't work correctly unless you consider all of this. FCC regulates how much you have to return back to us which is 90% so how can you just decide what you will and will not take back. When I resigned I did so under the direction of Deanne and mark guaranteeing a 100% buy back. 3 weeks later you pulled that from me that is fine I get it. Now you say you "may" buy back up to \$1,600 and that is all. This is so unfair. How unethical can a business be? I have kept my promises. I do not speak Poorly of LuLaRoe and I have not been doing going out of business sales. I was small and hardly did any sales. This is crazy. My accountant has all of my records and your numbers are off unless you are willing to include the numbers of what I actually bought. Shall I have my accountant call you directly to discuss? What Is my recourse here? Some how it is what you say and I should be happy with it? I reject this offer so who do I speak to next?

Please advise,

Laura

[Get Outlook for iOS](#)

From: support.32020.d9aae6e84f3ed0f7@helpscout.net <support.32020.d9aae6e84f3ed0f7@helpscout.net> on behalf of Cancellation Returns <cancellationreturns@lularoe.com>

Sent: Thursday, December 14, 2017 9:46:23 AM

To: Lularoe Laura Mary

Subject: Re: Labels

Hello Lularoe Laura,

You purchased **\$9,782.15** within the last 12 moths from your cancellation date. You have sold **\$16,324.15** at retail value in the last 12 months from your cancellation date. Your retail sales is then calculated into a wholesale value worth and subtracted from your orders. This then gives us your maximum return amount **\$1,620.08**. Please note because your form was rejected you are only going to be refunded up to your maximum amount. If you send in all your inventory you will not be paid any more than your maximum amount.

--

cancellationreturns@lularoe.com

On Tue, Dec 12, 2017 at 10:13 PM PST, Lularoe Laura Mary [REDACTED] wrote:

Are you ever going to respond to my multiple questions? What must I do?

Get [Outlook for iOS](#)

On Fri, Dec 8, 2017 at 12:29 PM PST, Lularoe Laura Mary [REDACTED] wrote:

I am not sure why my number is so low for what you are willing to take back? This is my second email asking. I am also not sure what was sent back to me? AM I supposed to do a trouble ticket? Please let me know why I was offered \$1600 when I sent forms listing \$6,000 worth of WS inventory. Your numbers are not clear. My accountant has also run the numbers and we are all very confused. It is not fair to use the amount I sold as a base point unless you are going to also add the amount I bought WS from other consultants. Which was encouraged in LULAROE. Please clarify your numbers promptly. My money has been held up long enough. I have respected Lularoe. Respect me back.

thanks,
Laura

On Thu, Nov 9, 2017 at 5:43 PM PST, Lularoe Laura Mary [REDACTED] wrote:

Oh my goodness!!! Thank you! Sorry about that.

Get [Outlook for iOS](#)

On Thu, Nov 9, 2017 at 1:43 PM PST, Cancellation Returns
<cancellationreturns@lularoe.com> wrote:

Hello Laura

The initial order is on the second page of the orders. Hit the "Older" link.

--

cancellationreturns@lularoe.com

On Thu, Nov 9, 2017 at 11:55 AM PST, Lularoe Laura Mary [REDACTED] wrote:

Thank you for your prompt reply. I was just going to fill out my return and cross check with my orders and I noticed my initial order is no longer on my orders? Can you tell me why? I would like to return some of it. It is all within the year of my signing up and my resignation. I was only a consultant for nine months. It is out of my control how long my resignation sat at your end. I realize you are busy and not judging that, but it does not seem fair to not be able to include all of the inventory I ordered in the year time frame of my resignation. Please advise.

thanks,
Laura

Exhibit I

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 18:47:40 -0700

Importance: Normal

----- Forwarded message -----

From: **Cancellation Returns** <cancellationreturns@lularoe.com>

Date: Mon, Dec 18, 2017 at 3:50 PM

Subject: Re: Labels

To: Laura Spencer [REDACTED]

If you wish to seek other remedies or pursue legal action please have your lawyer contact legal@lularoe.com and they will handle it from there if that is the route you wish to take.

Have a wonderful day :)

--

cancellationreturns@lularoe.com

On Mon, Dec 18, 2017 at 3:48 PM PST, Laura Spencer [REDACTED] wrote:
*imagine

On Mon, Dec 18, 2017 at 3:48 PM PST, Laura Spencer [REDACTED] wrote:
Thanks for mocking my situation with the "this message was approved by a higher up" I did not mean my comment as an insult when asking. I meant as a means of how business is done. People escalate when they feel something is unfair and unjust. This is \$6,000. of what I thought would come back to me if things did not work. Imaging how that would affect your life when you respond the way you just did. and it is clear you did. I will seek other remedies.
Thank you for your time.
Laura

On Mon, Dec 18, 2017 at 3:43 PM PST, Cancellation Returns
<cancellationreturns@lularoe.com> wrote:
Your maximum returnable amount is \$1,620.08

--

cancellationreturns@lularoe.com

On Mon, Dec 18, 2017 at 3:42 PM PST, Cancellation Returns
<cancellationreturns@lularoe.com> wrote:

Hello Laura,

Your return amount was correctly calculated. Items you bought from other consultants will not be added in because you did not purchase them from lularoe as stated in the policies and procedures. There will be no adjustments made to your maximum eligible amount.

"This message was approved by a higher up"

--

cancellationreturns@lularoe.com

On Mon, Dec 18, 2017 at 3:41 PM PST, Laura Spencer [REDACTED] wrote:

Also I need to know whey my formstack was rejected. I was given no reason.

thanks,
Laura

Exhibit J

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 18:43:42 -0700

Importance: Normal

----- Forwarded message -----

From: **Laura Spencer** [REDACTED]

Date: Tue, Dec 19, 2017 at 4:31 PM

Subject: Re: Labels

To: Cancellation Returns <cancellationreturns@lularoe.com>

I have attached this for you...

Please highlight where it says that you will deduct my sales. It says I will be reimbursed for 90% of the net cost of the original purchase. You know the worst part is I was not even including all the crap I was sent that was actually 4th of July stuff and pieces that were sent in my normal orders, but you wouldn't take back as they were part of a capsule I had not even purchased. I actually have a lot more lularoe than I even put on my form stacks. Sorry I digress....Please highlight some how for me the part about the sales? I am not seeing it in the attachment you sent and continue to refer to.

3.16.3 Returns on Cancellation of the Agreement

Upon the cancellation of an Independent Fashion Consultant's Agreement, the Independent Fashion Consultant may return products and sales aids for a refund. In order to receive a refund from LLR pursuant to this policy, the following requirements must be met:

- The items being returned must have been personally purchased by the Independent Fashion Consultant from LLR (purchases from other Independent Fashion Consultants or third parties are not subject to refund);
- The items must be in Resalable condition (see Definition of "Resalable" below); and
- The items must have been purchased from LLR within one year prior to the date of cancellation.

Upon receipt of a Resalable products and sales aids, the Independent Fashion Consultant will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Consultant when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Consultant was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Consultant based on that product purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unworn, unwashed, folded with hang tags and in original packaging; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to LLR within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable. Items that are returned that are not Resalable will be donated to a charity selected by LuLaRoe and no refund or exchange will be issued.

Thanks,

Laura

On Tue, Dec 19, 2017 at 4:05 PM, Cancellation Returns <cancellationreturns@lularoe.com> wrote:
Hello Laura,

These policies have been in place since June of 2015.

see section 3.16.3

--

cancellationreturns@lularoe.com

On Tue, Dec 19, 2017 at 3:09 PM PST, Laura Spencer [REDACTED] wrote:
I understand your explanation. But it was not the question. I would like a copy of the policy and procedure admendment and date it was instituted that says you factor sales. It is not what I agreed to. Period. You have an obligation to keep your end of a contract. Please show me this admendment.

Thanks,
Laura

On Tue, Dec 19, 2017 at 2:21 PM PST, Cancellation Returns
<cancellationreturns@lularoe.com> wrote:
Hello Laura,

Please review the policy below.

You purchased \$9,782.15 within the last 12 months of your cancellation date. Your retail sales were \$16,324.15 which has an estimated wholesale value of \$8162.08 there is no way you have \$3,402.15 of inventory left that you purchased from Lularoe. For you to have this much inventory left you would have had to sold at 10% to 15% higher than MAP pricing.

As you can see in bold letters from the policy the items eligible for a return must have been purchased from Lularoe. We are taking into account every order from your initial to your last order from April 2017.

Your maximum return value is **\$1620.08**

3.16.3 Returns on Cancellation of the Agreement

Upon the cancellation of an Independent Fashion Consultant's Agreement, the Independent Fashion

Consultant may return products and sales aids for a refund. In order to receive a refund from LLR

pursuant to this policy, the following requirements must be met:

- **The items being returned must have been personally purchased by the Independent Fashion Consultant from LLR (purchases from other Independent Fashion Consultants or third parties are not subject to refund);**
- The items must be in Resalable condition (see Definition of "Resalable" below); and
- **The items must have been purchased from LLR within one year prior to the date of cancellation.**

Upon receipt of a Resalable products and sales aids, the Independent Fashion Consultant will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Consultant when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Consultant was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Consultant based on that product purchase will be deducted from the amount of the refund.

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- 4) they are returned to LLR within one year from the date of purchase.** Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item,

shall

not be Resalable. Items that are returned that are not Resalable will be donated to a charity aRoe and no refund or exchange will be issued.

--

cancellationreturns@lularoe.com

On Tue, Dec 19, 2017 at 11:36 AM PST, Laura Spencer [REDACTED] wrote:

So before I go forward I want to make sure I am not missing something.... The legally binding contract that I signed stated I would be "refunded 90% of the wholesale price that I paid for qualified items". Doing anything other than that seems like a breach of contract to me. Has the policy been amended with a 30 day notice? If so, please provide a copy of the policy and the date in which we were all notified and the amendment and when it was updated in writing, in back office. Here is a copy of the wording I agreed to... 3.16.3 Returns on Cancellation of the Agreement Upon the cancellation of an Independent Fashion Consultant's Agreement, the Independent Fashion Consultant may return products and sales aids for a refund. In order to receive a refund from LLR pursuant to this policy, the following requirements must be met:

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On Mon, Dec 18, 2017 at 3:51 PM PST, Laura Spencer [REDACTED] wrote:

Thanks

On Mon, Dec 18, 2017 at 3:49 PM PST, Cancellation Returns

<cancellationreturns@lularoe.com> wrote:

If you wish to seek other remedies or pursue legal action please have your lawyer contact legal@lularoe.com and they will handle it from there if that is the route you wish to take.

Have a wonderful day :)

--

cancellationreturns@lularoe.com

Exhibit K

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 18:45:30 -0700

Importance: Normal

----- Forwarded message -----

From: **Cancellation Returns** <cancellationreturns@lularoe.com>

Date: Wed, Dec 20, 2017 at 8:02 AM

Subject: Re: Labels

To: Laura Spencer [REDACTED]

Hello Laura

The policy clearly states that the items must have been purchased by you directly from LuLaRoe in the twelve months previous to your cancellation. All of your orders from LuLaRoe qualify as your initial was in October of 2016 and your cancellation listed in August of 2017. Given you sold inventory in that period of time you would not have all of the items you bought from LuLaRoe left. Your orders and sales have already been provided to you and clearly stated that the only way for you to have \$3400 in inventory that you purchased from LuLaRoe would be if you were selling items at 10 to 15% above MAP pricing. Given your July sales average at \$20 per item in retail sales it is highly unlikely you sold items at a 60% profit. So in order to determine what remains of what you purchased in the last twelve months from us, the only items that are eligible, we estimate the wholesale value of your retail sales and subtract that from the orders. Logic speaks that you sold what you bought so that is how it works.

Your eligible maximum return amount is \$1620.08

We have clearly stated this multiple times and will not be again.

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--

cancellationreturns@lularoe.com

On Tue, Dec 19, 2017 at 4:31 PM PST, Laura Spencer [REDACTED] wrote:

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see section 3.16.3

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cancellationreturns@lularoe.com

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Thanks,
Laura

On Tue, Dec 19, 2017 at 2:21 PM PST, Cancellation Returns

<cancellationreturns@lularoe.com> wrote:

Hello Laura,

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--

cancellationreturns@lularoe.com

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So before I go forward I want to make sure I am not missing something.... The legally binding contract that I signed stated I would be "refunded 90% of the wholesale price that I paid for qualified items". Doing anything other than that seems like a breach of contract to me. Has the policy been amended with a 30 day notice? If so, please provide a copy of the policy and the date in which we were all notified and the amendment and when it was updated in writing, in back office. Here is a copy of the

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Exhibit L

From: Olivia's Toy box [REDACTED]

To: "Suner, Victoria (ATG)" [REDACTED]

Subject: Fwd: Labels

Date: 2020-03-18 18:46:06 -0700

Importance: Normal

----- Forwarded message -----

From: LuLaRoe Laura Mary [REDACTED]

Date: Fri, Dec 22, 2017 at 10:27 AM

Subject: Re: Labels

To: Cancellation Returns <cancellationreturns@lularoe.com>

Most of what I sold was what I bought from other consultants and most of what I have left is my initial order. So this is where your including my sales doesn't make a bit of sense. Not one bit. This is why if you are going to allow people to buy from other consultants and even encourage it and set up a system to transfer the stuff in the new bless and require us to sale through your system you have to factor them in the equation. You cannot have your cake and eat it too. I am ethical and was only returning the stuff purchased directly from LuLaRoe some how you are saying it isn't possible for me to have what I have. I do. Let's pull all the transfers that were done in bless. You allowed it. You made me sale through it! Your logic is skewed at best. Thanks for your help. I know you are just doing your job. I do appreciate your time and help.

Thanks,
Laura

Get Outlook for iOS

From: support.32020.d9aae6e84f3ed0f7@helpscout.net <support.32020.d9aae6e84f3ed0f7@helpscout.net> on behalf of Cancellation Returns <cancellationreturns@lularoe.com>

Sent: Wednesday, December 20, 2017 8:01:36 AM

To: Laura Spencer

Subject: Re: Labels

Hello Laura

The policy clearly states that the items must have been purchased by you directly from LuLaRoe in the twelve months previous to your cancellation. All of your orders from LuLaRoe qualify as your initial was in October of 2016 and your cancellation listed in August of 2017. Given you sold inventory in that period of time you would not have all of the items you bought from LuLaRoe left. Your orders and sales have already been provided to you and clearly stated that the only way for you to have \$3400 in inventory that you purchased from LuLaRoe would be if you were selling items at 10 to 15% above MAP pricing. Given your July sales average at \$20 per item in retail sales it is highly unlikely you sold items at a 60% profit. So in order to determine what remains of what you purchased in the last twelve months from us, the only items that are eligible, we estimate the wholesale value of your retail sales and subtract that from the orders. Logic speaks that you sold what you bought so that is how it works.

Your eligible maximum return amount is \$1620.08

We have clearly stated this multiple times and will not be again.

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- **The items being returned must have been personally purchased by the Independent Fashion Consultant from LLR (purchases from other Independent Fashion Consultants or third parties are not subject to refund);**
- The items must be in Resalable condition (see Definition of "Resalable" below); and
- **The items must have been purchased from LLR within one year prior to the date of cancellation.** Upon receipt of a Resalable products and sales aids, the Independent Fashion Consultant will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Consultant when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Consultant was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Consultant based on that product purchase will be deducted from the amount of the refund. Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unworn, unwashed, folded with hang tags and in original packaging; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and **4) they are returned to LLR within one year from the date of purchase.** Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable. Items that are returned that are not Resalable will be donated to a charity selected by LuLaRoe and no refund or exchange will be issued

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cancellationreturns@lularoe.com

On Tue, Dec 19, 2017 at 4:31 PM PST, Laura Spencer [REDACTED] wrote:

I have attached this for you... Please highlight where it says that you will deduct my sales. It says I will be reimbursed for 90% of the net cost of the original purchase. You know the worst part is I was not even including all the crap I was sent that was actually 4th of July stuff and pieces that were sent in my normal orders, but you wouldn't take back as they were part of a capsule I had not even purchased. I actually have a lot more lularoe then I even put on my form stacks. Sorry I digress....Please highlight some how for me the part about the sales? I am not seeing it in the attachment you sent and continue to refer to. 3.16.3 Returns on Cancellation of the Agreement Upon the cancellation of an Independent Fashion Consultant's Agreement, the Independent Fashion Consultant may return products and sales aids for a refund. In order to receive a refund from LLR pursuant to this policy, the following requirements must be met:

- The items being returned must have been personally purchased by the Independent Fashion Consultant from LLR (purchases from other Independent Fashion Consultants or third parties are not subject to refund);
- The items must be in Resalable condition (see Definition of "Resalable" below); and

- The items must have been purchased from LLR within one year prior to the date of cancellation. Upon receipt of a Resalable products and sales aids, the Independent Fashion Consultant will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Consultant when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Consultant was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Consultant based on that product purchase will be deducted from the amount of the refund. Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied: 1) they are unworn, unwashed, folded with hang tags and in original packaging; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially reasonable practice within the trade to sell the merchandise at full price; and 4) they are returned to LLR within one year from the date of purchase. Any merchandise that is clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall not be Resalable. Items that are returned that are not Resalable will be donated to a charity selected by LuLaRoe and no refund or exchange will be issued. Thanks, Laura

On Tue, Dec 19, 2017 at 4:04 PM PST, Cancellation Returns

<cancellationreturns@lularoe.com> wrote:

Hello Laura,

These policies have been in place since June of 2015.

see section 3.16.3

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cancellationreturns@lularoe.com

On Tue, Dec 19, 2017 at 3:09 PM PST, Laura Spencer [REDACTED] wrote:

I understand your explanation. But it was not the question. I would like a copy of the policy and procedure admendment and date it was instituted that says you factor sales. It is not what I agreed to. Period. You have an obligation to keep your end of a contract. Please show me this admendment.

Thanks,
Laura

On Tue, Dec 19, 2017 at 2:21 PM PST, Cancellation Returns

<cancellationreturns@lularoe.com> wrote:

Hello Laura,

Please review the policy below.

You purchased \$9,782.15 within the last 12 months of your cancellation date. Your retail

sales were \$16,324.15 which has an estimated wholesale value of \$8162.08 there is no way you have \$3,402.15 of inventory left that you purchased from Lularoe. For you to have this much inventory left you would have had to sold at 10% to 15% higher than MAP pricing.

As you can see in bold letters from the policy the items eligible for a return must have been purchased from Lularoe. We are taking into account every order from your initial to your last order from April 2017.

Your maximum return value is **\$1620.08**

3.16.3 Returns on Cancellation of the Agreement

Upon the cancellation of an Independent Fashion Consultant's Agreement, the Independent Fashion

Consultant may return products and sales aids for a refund. In order to receive a refund from LLR

pursuant to this policy, the following requirements must be met:

- **The items being returned must have been personally purchased by the Independent Fashion Consultant from LLR (purchases from other Independent Fashion Consultants or third parties are not subject to refund);**
- The items must be in Resalable condition (see Definition of "Resalable" below); and
- **The items must have been purchased from LLR within one year prior to the date of cancellation.**

Upon receipt of a Resalable products and sales aids, the Independent Fashion Consultant will be

reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges

incurred by an Independent Fashion Consultant when the products or sales aids were purchased, and

return shipping fees, will not be refunded. If the purchases were made through a credit card, the

refund will be credited back to the same account. If an Independent Fashion Consultant was paid a

bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned

for a refund, the bonus that was paid to the Independent Fashion Consultant based on that product

purchase will be deducted from the amount of the refund.

Products and sales aids shall be deemed "Resalable" if each of the following elements is satisfied:

1) they are unworn, unwashed, folded with hang tags and in original packaging; 2) packaging and labeling has not been altered or damaged; 3) they are in a condition such that it is a commercially

reasonable practice within the trade to sell the merchandise at full price; and

4) they are returned to LLR within one year from the date of purchase. Any merchandise that is

clearly identified at the time of sale as nonreturnable, discontinued, or as a seasonal item, shall

not be Resalable. Items that are returned that are not Resalable will be donated to a charity
aRoe and no refund or exchange will be issued.

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cancellationreturns@lularoe.com

On Tue, Dec 19, 2017 at 11:36 AM PST, Laura Spencer [REDACTED] wrote:

So before I go forward I want to make sure I am not missing something.... The legally binding contract that I signed stated I would be "refunded 90% of the wholesale price that I paid for qualified items". Doing anything other than that seems like a breach of contract to me. Has the policy been amended with a 30 day notice? If so, please provide a copy of the policy and the date in which we were all notified and the amendment and when it was updated in writing, in back office. Here is a copy of the wording I agreed to... 3.16.3 Returns on Cancellation of the Agreement Upon the cancellation of an Independent Fashion Consultant's Agreement, the Independent Fashion Consultant may return products and sales aids for a refund. In order to receive a refund from LLR pursuant to this policy, the following requirements must be met:

- The items being returned must have been personally purchased by the Independent Fashion Consultant from LLR (purchases from other Independent Fashion Consultants or third parties are not subject to refund);
- The items must be in Resalable condition (see Definition of "Resalable" below); and
- The items must have been purchased from LLR within one year prior to the date of cancellation. Upon receipt of a Resalable products and sales aids, the Independent Fashion Consultant will be reimbursed 90% of the net cost of the original purchase price(s). Shipping and handling charges incurred by an Independent Fashion Consultant when the products or sales aids were purchased, and return shipping fees, will not be refunded. If the purchases were made through a credit card, the refund will be credited back to the same account. If an Independent Fashion Consultant was paid a bonus based on a product(s) that he or she purchased, and such product(s) is subsequently returned for a refund, the bonus that was paid to the Independent Fashion Consultant based on that product purchase will be deducted from the amount of the refund. Please supply changes and dates when I was notified. thanks, Laura