

STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT

STATE OF WASHINGTON,)	
)	
Plaintiff,)	
)	
v.)	No. 19-2-02325-2 SEA
)	
LLR Inc.; LLR LULAROE Inc.;)	
LENNON LEASING LLC; MARK A.)	
STIDHAM; DEANNE S. BRADY)	
a/k/a DEANNE STIDHAM; AND)	
JORDAN K. BRADY,)	
)	
Defendants.)	
_____)	

VIDEOTAPED DEPOSITION OF DEANNE S. BRADY

December 20, 2019

Reported By: Joanna B. Brown, CSR, RPR, CRR, RMR
CSR No. 8570

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JORDAN K. BRADY,)	
)	
Defendants.)	
_____)	

Videotaped deposition of DEANNE S. BRADY,
taken on behalf of the Plaintiff, at 5020 Campus Drive,
Newport Beach, California, beginning at 9:04 a.m. and
ending at 5:39 p.m., on Friday, December 20, 2019,
before JOANNA B. BROWN, Certified Shorthand Reporter
No. 8570, RPR, CRR, RMR.

1 APPEARANCES OF COUNSEL:

2 FOR THE PLAINTIFF:

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waf@floratosloll.com

19 ALSO PRESENT:

20 CRAIG ELLINGSON, VIDEOGRAPHER

21

22

23

24

25

1 Newport Beach, California; Friday, December 20, 2019

2 9:04 a.m.

3

4 (DEANNE S. BRADY,
5 deponent, was sworn and examined
6 and testified as follows:)

7

8 (Mr. Floratos is not present.)

9 THE VIDEOGRAPHER: Good morning. We are on
10 the record. This is Volume 1 of the videotaped
11 deposition of DeAnne S. Brady in the matter of State of
12 Washington versus LLR Incorporated, et al., Cause
13 No. 19-2-02325-2 SEA, for the Superior Court of the
14 State of Washington, King County, noticed by the
15 plaintiffs.

16 The time is approximately now 9:04 a.m. on
17 December 20th, 2019, and we are convening at
18 5020 Campus Drive, Newport Beach, California 92660.

19 My name is Craig Ellingson from Buell Realtime
20 Reporting, LLC, located at 1325 Fourth Avenue,
21 Suite 1840, Seattle, Washington 98101.

22 Will counsel and all present please identify
23 themselves for the record.

24 MS. ROOS: Breena Roos for the State of
25 Washington, and here with me is my colleague,

1 Joe Kanada; and my colleague, Tiffany Lee, is on the
2 phone.

3 MR. TODARO: And Anthony Todaro from DLA Piper
4 appearing for the witness and all defendants.

5 THE VIDEOGRAPHER: Will the court reporter
6 please swear in the witness.

7 THE REPORTER: Would you raise your right
8 hand, please. You do solemnly state, under penalty of
9 perjury, that the evidence you shall give in this
10 matter will be the truth, the whole truth, and nothing
11 but the truth?

12 THE WITNESS: Yes.

13 EXAMINATION

14 BY MS. ROOS:

15 Q Can you please state your full name.

16 A DeAnne Startup Brady.

17 Q And your legal name is DeAnne Brady?

18 A It is.

19 Q Do you sometimes go by Diane Stidham?

20 A Yes.

21 Q What would you prefer to -- I call you today?

22 A Brady is easier, I guess.

23 Q Okay.

24 A But if you say "Stidham," it's okay.

25 Q Okay. Have you been deposed before?

1 A About a week ago.

2 Q And how long was that meeting?

3 A A couple of hours.

4 Q Are you currently employed?

5 A Yes.

6 Q With what company?

7 A LuLaRoe.

8 Q And which legal entity employs you?

9 MR. TODARO: Object to the form.

10 THE WITNESS: I don't understand.

11 BY MS. ROOS:

12 Q Is it LLR Inc. that employs you?

13 A I am not sure.

14 Q What's your title with LuLaRoe?

15 A It varies, but I think I am president of the
16 company with my husband Mark Stidham.

17 Q So co-president?

18 A Yes.

19 Q Are you also co-CEO?

20 A I don't know.

21 Q Have you been a co-president with your husband
22 since the company was founded?

23 A Yes.

24 Q Have you had any other titles since the
25 company was founded?

1 A I am sure I have. I don't know all of them.
2 I'm not big on titles.

3 Q What are your responsibilities with LuLaRoe?

4 A I like to work with the retailers. I enjoy
5 being able to give them advice and encourage those that
6 need encouraging. And I work on designing product so
7 that they fit a female's body properly, and I work on
8 sizing and seeking out ways to find better products,
9 fabrics.

10 Q Have those always been your responsibilities?

11 A Yes.

12 Q Have you ever had any other responsibilities
13 with the company?

14 A I am sure I have, but I don't know
15 specifically.

16 Q How are you currently compensated?

17 A I don't know.

18 Q Do you receive a paycheck?

19 A Yes.

20 Q And what is your -- what is your salary?

21 A I don't know.

22 Q Do you receive any bonuses?

23 A No.

24 Q Do you personally sell any of the LuLaRoe
25 clothing?

1 A Shirts, tops, skirts, dresses, duster vests,
2 long cardigans, short cardigans, denim jackets, denim
3 jeans.

4 Q All women's clothes?

5 A Yes. Oh, no. We have a few -- a handful of
6 men's styles.

7 Q Do you have any children's styles?

8 A Not anymore.

9 Q You did at one point?

10 A Yes, we did.

11 Q When did you first start selling clothing
12 under the brand name LuLaRoe?

13 A May 2013.

14 Q And at that time, you were personally selling?

15 A Yes.

16 Q And they were Maxi skirts, I understand.

17 A Yes.

18 Q When did you start asking others to sell
19 LuLaRoe clothing for you?

20 MR. TODARO: Object to the form.

21 THE WITNESS: I never asked anyone.

22 BY MS. ROOS:

23 Q At some point, you had others selling LuLaRoe;
24 correct?

25 A Yes.

1 Q When did that start?

2 A I would say November 2013.

3 Q And how did you go about having others sell
4 the clothing?

5 A I just mentioned it when they said they would
6 like to sell also and be able to make some money from
7 home and be able to stay at home with their children,
8 and then I told them "Why don't you sell LuLaRoe?"

9 Q And at that time, did you set up, sort of, a
10 territorial -- territory-based system?

11 A Not me.

12 Q Who set that up?

13 A I don't know.

14 Q Was there a territory-based system?

15 A I think so in the beginning.

16 Q So, under that system, someone would be
17 assigned a particular territory, and that would be
18 their responsibility?

19 A They would decide. We never decided.

20 Q Would the territories overlap at all?

21 A I couldn't answer that question.

22 Q And who set up that structure?

23 A Nobody did.

24 (Mr. Floratos enters the room.)

25 ///

1 A I have no idea.

2 Q Has LuLaRoe always maintained that
3 sell-through data?

4 A No.

5 Q Is that a recent development?

6 A Yes.

7 Q How recent?

8 A A year. Two years. I don't know. That's
9 something that Mark takes care of. I don't -- I don't
10 have anything to do with that, any of that.

11 Q Before you had that data, how did LuLaRoe
12 determine what styles or patterns were selling better
13 than others?

14 A I think just hearing about it. I have no
15 idea.

16 MS. ROOS: This is probably a good time for a
17 break.

18 THE VIDEOGRAPHER: Off the record. The time
19 is 11:38 a.m.

20 (Off the record.)

21 THE VIDEOGRAPHER: Going back on the record,
22 the time is 11:49 a.m.

23 BY MS. ROOS:

24 Q So when we were talking earlier about
25 different events, in-person events that LuLaRoe holds

1 for retailers, you mentioned that the retailers always
2 like it or it's well received when the family attends,
3 and you mentioned Jordan specifically as being well
4 received at the events. Do you encourage your family
5 to attend?

6 A Yes.

7 Q And is that the family who works for LuLaRoe?

8 A It's not just the family. I think it's
9 important that anybody that's in the home office goes
10 to these events. They like Jordan because he's fun.
11 He's funny.

12 Q Have you encouraged Jordan to attend events?

13 A I encourage all of my kids. I think it's good
14 for them to be present and see what people do and how
15 they can serve.

16 Q Do you work directly with Jordan?

17 A No.

18 Q Have you ever?

19 A No.

20 Q Has he ever helped you on any projects?

21 A No.

22 Q What is Jordan's role with the company?

23 A I don't know. He moves around.

24 Q Does he have a title?

25 A No. Not that I know of.

1 Q Did he ever have a title?

2 A I'm not big on titles; so I don't know.

3 Q And who does he report to?

4 A I don't know.

5 Q We talked briefly -- we mentioned earlier the
6 LuLaRoe Facebook account.

7 A I don't know.

8 Q There is a Facebook account?

9 A I have no idea.

10 Q And you have an Instagram account?

11 A Yes, I do know that.

12 Q And who is responsible for maintaining that?

13 A I already answered that question. I have no
14 idea.

15 Q Do you ever update it?

16 A No.

17 Q Do you ever give instructions to update?

18 A No.

19 Q Who is responsible for social media more
20 generally within LuLaRoe?

21 A There's a team.

22 Q Who is on the team?

23 A Oh, it vacillates from -- whether it has to do
24 with product or it has -- I don't know. They would --

25 I mean, it goes anywhere from -- there's groups of

1 A And they --

2 (Simultaneous speaking.)

3 Q -- how much a retailer could bring in on
4 average, the 3- to 5,000?

5 A They told me. That's what they told me. They
6 would call me with tears and crying and say "DeAnne, I
7 just can't believe it."

8 Q Did you ever review any data that backed up
9 that there were 3- to -- an average retailer was
10 bringing in 3- to 5,000 a week?

11 A The data is what they told me. We didn't have
12 data. We didn't have computer systems that told us.
13 We didn't -- we hardly -- barely had anything other
14 than emails back in, you know, '13, '14, and '15.

15 (Deposition Exhibit 121 was marked
16 for identification by the reporter, a
17 copy of which is attached hereto.)

18 MS. ROOS: And this, I've handwritten the
19 Bates number on because it doesn't print with it, and
20 this is 121.

21 THE WITNESS: 00 -- oh.

22 MS. ROOS: Exhibit 121.

23 THE WITNESS: 121.

24 MS. ROOS: So Exhibit 121, which is Bates
25 No. 005606, and is a video. So I'm going to queue it

1 up here. So I'm going to start playing at the
2 beginning and play for a little bit.

3 (The video was played as follows:

4 "DEANNE BRADY: Okay. So I have asked -- I
5 have been thinking about it. Many of you have so much
6 to share, but these are questions that were asked at
7 the last leadership. They may seem a little redundant,
8 but hopefully, you were paying attention and you'll be
9 excited to hear the questions again because maybe they
10 didn't come up, they weren't important to you at the
11 time in October. But now that your leadership skills
12 have arrived to a different --")

13 MR. FLORATOS: Is there any way to make that
14 louder?

15 MS. ROOS: Yeah. Is there --

16 MR. TODARO: It's on a hundred.

17 MS. ROOS: Yeah, it's on a hundred.

18 Q Is that you in the video, pacing in the front?

19 A It is.

20 Q And for the record, it's a video showing some
21 women sitting on chairs in a row. You are in front,
22 and in the back are the words "Be The Light."

23 Do you know when this video is from?

24 A I think it's a leadership or something. I
25 would think that was one of the themes.

1 Q Was "Be The Light" a theme of convention?

2 A I -- no. I -- no. I think this was a
3 leadership. It was not a convention. It would have
4 been where leaders go.

5 Q And it looks to be a panel. Are those
6 retailers behind you?

7 A They are.

8 Q And who selected those retailers to be on the
9 panel?

10 A They were the top sellers of the company at
11 that time. They selected these sales by their
12 accomplishments.

13 Q Do you recall when the "Be The Light" event
14 happened?

15 A Huh-uh. Probably 2015 or '16. You didn't get
16 that off of this video, the date?

17 Q It may be in the metadata. I'm not sure.

18 A Okay.

19 Q And what was the purpose of this panel?

20 A Well, the leaders had asked "Please, please,
21 please, can we hear from them? He we want to know what
22 they are doing. We'd like to ask them questions."

23 People want to hear from successful people.

24 Q So I'm going to move forward to minute -- 5
25 minutes and 15 seconds.

1 A Okay.

2 (The video was played as follows:

3 "DEANNE BRADY: Awesome. Real quick, in the
4 very beginning, I forgot to ask you. I want you to
5 know how much money they are making and how much their
6 sales are. So what was their check? I don't know what
7 their check is right now. Nobody does yet, but how
8 much were they -- what did they make in their last
9 bonus check, and what are their sales? So let's start
10 with Ashley, what your sales are.

11 "UNIDENTIFIED SPEAKER: My last check was
12 \$151,000.

13 "DEANNE BRADY: How long have you been in the
14 business?

15 "UNIDENTIFIED SPEAKER: From the very
16 beginning. I was one of the first to start. And our
17 sales are between 12- and 15,000 a month.

18 "UNIDENTIFIED SPEAKER: Okay. My check was --
19 last month, it was \$85,000, and my -- I've been in the
20 business from the very beginning with Ash, and my sales
21 range between 18- to \$25,000.

22 "DEANNE BRADY: Awesome. Go ahead.

23 "UNIDENTIFIED SPEAKER: We have been doing
24 this since -- a couple of months, and we are -- in the
25 very beginning -- first of all, on the East Coast. My

1 last check was 118,000, and our sales vary between 12-
2 and 20-.

3 "DEANNE BRADY: Okay. Wait. I forgot to say
4 Ashley is from St. George, Utah. Ashleigh Lautaha is
5 from the Washington, Seattle, area. Lisa Jones is from
6 upstate New York in Roch- -- up by Rochester. Okay.
7 Where are you from?

8 "UNIDENTIFIED SPEAKER: I am from Maryland.
9 My last check was 250,000, and I do about 12- to 13,000
10 in sales every month.

11 "UNIDENTIFIED SPEAKER: I'm in Salt Lake
12 City -- Riverton, Utah, and our last check was 307,000.
13 I can't even say it. It, like, blows my mind. And our
14 personal sales were about 18 -- a little over 118,000.

15 "UNIDENTIFIED SPEAKER: Corona, California,
16 getting close to 3 1/2, and 12- to 18,000 in sales and
17 \$186,000.

18 "UNIDENTIFIED SPEAKER: I live in
19 South Jordan, Utah, and my last check was 171,000, and
20 my sales usually range between 12,000 to 18,000 a
21 month.

22 "UNIDENTIFIED SPEAKER: I'm in Laguna Beach,
23 California, and my last check was 68,000, and my sales
24 range anywhere from 15- to 20,000 a month. Oh. And
25 then this month marks my four-year anniversary.

1 "UNIDENTIFIED SPEAKER: And I have to point
2 out, too, that Kim, Sadie, and I live within, like, a
3 few streets of each other. So it doesn't necessarily
4 matter where you are, but 20,000 in sales last month,
5 the biggest month ever because we pushed, and my last
6 check was \$130,000 and first consultant.

7 "DEANNE BRADY: Yes. Go ahead. Tell her how
8 many consultants.

9 "UNIDENTIFIED SPEAKER: So we have almost 40
10 consultants. I am -- where am I at? -- like, 3 1/2
11 years in, almost 4 years, right in there, and we sell
12 between 15- and 18,000 a month.

13 "DEANNE BRADY: Amazing. I love that. I love
14 that. Okay. Next --")

15 BY MS. ROOS:

16 Q Why did you ask these retailers what their
17 sales checks and bonus checks were?

18 A Why not. I love it. It's inspiring, and it
19 gives people excitement.

20 Q Now, when they were talking about their
21 monthly checks, they are referring to their bonus
22 checks?

23 A Yes.

24 Q And when they are talking about sales, what
25 are they referring to?

1 A Their sales.

2 Q Is that their profit, to your understanding?

3 MR. TODARO: Object to the form.

4 THE WITNESS: Their total sales.

5 BY MS. ROOS:

6 Q So their total sales before -- before profit?

7 A Yes.

8 Q And they were discussing their monthly sales;
9 right?

10 A Yes.

11 Q And the bonus checks that they were referring
12 to, that was also monthly?

13 A Maybe -- I think they may have -- it might
14 have been their biggest check that they had ever
15 received.

16 Q But bonus checks are paid monthly?

17 A Yes.

18 Q So correct me if I'm wrong, but everyone in
19 that video is making more in bonus checks than they are
20 in sales; correct?

21 A At that time, yes.

22 Q Why were they making more in bonus checks than
23 sales?

24 A I don't know.

25 MR. TODARO: Object to the form.

1 THE WITNESS: Maybe they -- maybe they helped
2 a lot of people to help them make money.

3 BY MS. ROOS:

4 Q Was this video posted by LuLaRoe anywhere?

5 A I have no idea.

6 Can I step out and use the ladies' room? I
7 drank a lot of water --

8 MS. ROOS: Sure. We can go off the record.

9 THE WITNESS: -- because I have a bad
10 headache.

11 THE VIDEOGRAPHER: Off the record. The time
12 is 2:23 p.m.

13 (Off the record.)

14 (Mr. Floratos is not present.)

15 (Deposition Exhibit 122 was marked
16 for identification by the reporter, a
17 copy of which is attached hereto.)

18 THE VIDEOGRAPHER: Going back on the record,
19 the time is 2:30 p.m.

20 BY MS. ROOS:

21 Q Okay. So you've been handed what's been
22 marked as Exhibit 122, which is Bates-numbered
23 WA-AG-001046. Have you seen this document before?

24 A No. I'm curious where you got it.

25 Q Is -- at the top, that's the LuLaRoe logo. It

1 says "WANT TO EARN FULL-TIME INCOME FOR PART-TIME WORK?

2 ASK ME HOW!" Is that phrase familiar to you --

3 A No.

4 Q -- "full-time income for part-time work"?

5 A Not to me.

6 Q Okay. So you can put that --

7 A I've never said this is what I'm saying.

8 Q You can put it aside.

9 A I'm wondering if one of the retailers has made
10 that, which they do. They make lots of stuff.

11 Q If a retailer had created this, Exhibit 122,
12 would that be okay with LuLaRoe?

13 A No.

14 Q Why not?

15 A Because you are -- I mean, they can share
16 something that's their personal but not post it and
17 print it, you know, although it's true. I mean, Mark
18 says it all the time. I don't say it, but Mark says it
19 because he knows how to do the whole math about it, but
20 I --

21 Q When you say "Mark says it all the time," you
22 mean --

23 A Well, you interviewed -- or somebody
24 interviewed him a couple days ago, and he clarified
25 this phrase, "earn full-time income for part-time

1 MS. ROOS: Okay. You can put that one aside.
2 (Deposition Exhibit 131 was marked
3 for identification by the reporter, a
4 copy of which is attached hereto.)

5 BY MS. ROOS:

6 Q So you've been handed what's been marked as
7 Exhibit 131, which is Bates-numbered WA-AG-000839 and
8 is a capture of a YouTube page from -- by LuLaRoe Meg B
9 titled "One Year Review - Over 200K First Year in
10 LuLaRoe Business."

11 Have you seen this before?

12 A No.

13 Q If you could, read the text about halfway down
14 the page where it says [as read] "Published on
15 February 22nd, 2015," and it says [as rad] "A 1 year
16 LuLaRoe business review. LuLaRoe Meg B retailed over
17 \$200K in her first year. What a blessing! Meg talks
18 about some tips that have worked for her and how to be
19 a part of a fast growing team. She is still taking on
20 new Consultants! Learn to have massive growth in your
21 sales and run a successful LuLaRoe business. Contact
22 me @lularoemegb@gmail.com for a no obligation
23 interview."

24 MR. TODARO: And just for the record, I think
25 you said "2015," and it reads '17.

1 MS. ROOS: 2017.

2 Q Is this posting on YouTube consistent with
3 LuLaRoe's policy?

4 A I would think not.

5 Q How so?

6 A But I -- I feel like people have a right to
7 share their own testimony. If this is her testimony,
8 unless I know if it was false, then I would have a
9 problem with it. I don't know if this is false.

10 Q If it were true that this retailer made --
11 retailed over 200,000 in her first year, would it be
12 okay for her to post this?

13 A I don't know. I personally would say yes.

14 Q And would it be okay for her to post that in
15 connection with a comment that consultants could
16 contact her to become a member of her team?

17 A Well, people that did that, they don't have a
18 right to take that much business from everybody else.
19 There were people that were advised, you know, to go
20 off YouTube. You are capturing business the wrong way.
21 Instead, you are not -- it's not a people-to-people
22 business.

23 So we encourage LuLaRoe retailers to,
24 face-to-face, have conversations. This isn't
25 face-to-face. So, in my opinion, I would say it needs

1 BY MS. ROOS:

2 Q So now you've been handed what's been marked
3 as Exhibit 133, which is Bates-numbered WA-AG-000950
4 and is a tweet from someone named "Lularoetheresab."
5 Do you know who that is?

6 A Huh-uh, no.

7 Q Have you seen this before?

8 A No.

9 Q And then the tweet, she has a series of
10 hashtags and then an image that says -- that says
11 "Team Super HeROEs." We talked about that. You don't
12 know who that is?

13 A Huh-uh.

14 Q And it says "Join our team, \$57,571.27 in
15 June bonuses!"

16 Is a post like this consistent with LuLaRoe
17 policy?

18 A No.

19 Q How so?

20 A We don't post that around money.

21 Q You don't post -- I'm sorry -- around money?

22 A We don't post posts like that.

23 Q Is a post like this by a retailer --

24 A Right.

25 Q -- consistent with LuLaRoe policy?

1 A No. Sorry.

2 Q In the top, there's a series of hashtags, and
3 the last is -- it says "#becauseoflularoe."

4 Are you familiar with that hashtag?

5 A I see it, yes.

6 Q Do you know what it means?

7 A No. I would assume that it is what it says.

8 Q What does it mean to you?

9 A Because of LuLaRoe and the hard work that I
10 make, I am having more time with my family, making my
11 own goals and setting them and having the opportunity
12 to do what I want to do on my own time, working my
13 business every day.

14 Q You can put that one aside.

15 A They are all the same. I'm confused.

16 Q Oh, do you have multiple copies?

17 A All three, yes.

18 Q Okay. I think that's fine. They are all in
19 there.

20 A She only got two likes. That's sad. Do you
21 want them all together?

22 Q Yes.

23 A Okay.

24 ///

25 ///

1 (Deposition Exhibit 134 was marked
2 for identification by the reporter, a
3 copy of which is attached hereto.)

4 THE WITNESS: I don't even know if these
5 people are in the business still.

6 BY MS. ROOS:

7 Q You've been handed what's been marked as
8 Exhibit 134, which is Bates-numbered WA-AG-000882 and
9 is a YouTube post from Erica D. House.

10 Do you know who that is?

11 A No.

12 Q The title of the post says "How much can you
13 make with LuLaRoe? I sold \$25,000 my first month!"

14 Is posting a statement like that consistent
15 with LuLaRoe policy?

16 A Again, I would have to look at all of the
17 policies and review them, but I would assume no.

18 Q Why not?

19 A Because it's on YouTube, it's not
20 face-to-face.

21 Q Would it be consistent with LuLaRoe policy for
22 a retailer to tell prospective retailers that they made
23 25,000 in the first month if that was face-to-face?

24 A If they did it, they have every right to make
25 whatever statements they can. This is their -- we

1 don't want people to lie.

2 MS. ROOS: Okay. You can put that one aside.

3 (Deposition Exhibit 135 was marked

4 for identification by the reporter, a

5 copy of which is attached hereto.)

6 BY MS. ROOS:

7 Q So you've been handed what's been marked as

8 Exhibit 135. It is Bates No. WA-AG-000891, which is a

9 YouTube post by LuLaRoe Tiffany Cook.

10 Do you know who that is?

11 A I do.

12 Q Who is Tiffany Cook?

13 A She is a LuLaRoe retailer.

14 Q Is she a current retailer?

15 A Yes.

16 Q What rank is she?

17 A I think she's a mentor now.

18 Q This was a post in February of 2016. Do you

19 know what rank she was then?

20 A I don't think she -- I don't know. I don't
21 have a clue. I don't know exactly when each of them --

22 MS. ROOS: Okay. I'm going to pull up --

23 actually, so I'm entering into the record as

24 Exhibit 136 a video, Bates No. WA-AG-000890. I'm going

25 to pull up that video.

1 how big their checks would be while others were
2 listening?

3 A I have no idea.

4 Q Have you ever done that where others were in
5 the room with you?

6 A No.

7 Q How often do you call retailers to tell them
8 how big their bonus checks would be?

9 A I haven't done that in three years.

10 Q Before you stopped doing that, how often would
11 you do it?

12 A I don't know.

13 Q Why would you do it?

14 A Because it's exciting and rewarding and a
15 wonderful congratulations for all their hard work.

16 Q Have you ever posted bonus checks to social
17 media?

18 A You asked that question before. No.

19 (Deposition Exhibit 143 was marked
20 for identification by the reporter, a
21 copy of which is attached hereto.)

22 BY MS. ROOS:

23 Q You've been handed what's been marked as
24 Exhibit 143, which is a screen shot of your Instagram
25 page, and it is Bates No. WA-AG-0005772.

1 Is this a post that you made to your Instagram
2 page?

3 A Yes.

4 Q In it, there's a photo of a woman with some
5 checks in front of her. Is that you?

6 A Yes.

7 Q And are those bonus checks that are in front
8 of you?

9 A I don't know.

10 Q Why did you post this?

11 A Why not?

12 Q So, actually, let me back up.

13 In the message that you wrote, you wrote
14 [as read] "Woot woot yahoo. Look at what I get to do
15 now????? Yesssss I'm signing big BONUS CHECKS!"

16 Does that indicate that the checks you are
17 signing in this photo are bonus checks?

18 A Yes.

19 Q So why did you post yourself signing bonus
20 checks on your Instagram page?

21 A I don't know why. Do you have a date on
22 these? 2014, it looks like.

23 Q Yes.

24 A It was a long time ago.

25 Q But does this refresh your recollection that

1 you have posted bonus checks on social media?

2 A I didn't post bonus checks anywhere.

3 Q You posted a picture of yourself signing bonus
4 checks.

5 A Yeah, but there's no names anywhere. It
6 doesn't know whose it is. It doesn't say who it is
7 for.

8 (Deposition Exhibit 144 was marked
9 for identification by the reporter, a
10 copy of which is attached hereto.)

11 BY MS. ROOS:

12 Q So you've been handed what's been marked as
13 Exhibit 144, which is Bates-numbered WA-AG-005773,
14 which is another printout or screen shot from your
15 Instagram account, and here it looks like a photo
16 posted.

17 Did you post this photo?

18 A I don't know.

19 Q And --

20 A Does it say I posted it?

21 Q This is -- I'll represent to you that this is
22 a screen shot from your Instagram account.

23 A It says "DeAnne Following."

24 Q Yes. That's because the person who printed
25 this was following you.

1 A Okay.

2 Q I'll represent that to you.

3 A Okay.

4 Q So this is a screen shot from your Instagram
5 account. Does this refresh your recollection of
6 posting additional bonus checks on your Instagram
7 account?

8 MR. TODARO: Object to the form.

9 MS. ROOS: Go ahead.

10 THE WITNESS: I don't know what these checks
11 are.

12 BY MS. ROOS:

13 Q You don't know whether these are bonus checks
14 or some other checks?

15 A No.

16 Q Why did you post these on Instagram?

17 A It just shows lots of wonderful checks.

18 MS. ROOS: You can put that one aside.

19 (Deposition Exhibit 145 was marked
20 for identification by the reporter, a
21 copy of which is attached hereto.)

22 BY MS. ROOS:

23 Q So you've now been handed what's been marked
24 as Exhibit 145, which is a screen shot from your
25 Instagram account Bates-numbered WA-AG-005774, and in

1 it is another photo of a series of checks.

2 A Uh-huh.

3 Q And it looks like you wrote "Ok ok ok ok
4 YIPPPPEEEEE look what I'm signing right now. I'm
5 sooooooo excited to give most of these bonus checks out
6 in my office tomorrow at Leadership!"

7 Did you post this?

8 A Yes.

9 Q And why -- and so the checks depicted in the
10 image are bonus checks?

11 A I guess.

12 Q In the message that you posted, you said, "I'm
13 excited to give most of these bonus checks."

14 Does that indicate to you that these are bonus
15 checks in the photo?

16 A Yes.

17 Q And why did you post this picture of all of
18 these bonus checks?

19 A Because it's fun and exciting to see the
20 reward of people that work hard in their businesses.

21 Q In the photo, the checks are all, sort of,
22 fanned out so that you can see the amounts.

23 A Yeah.

24 Q Why did you post them that way?

25 A I don't know.

1 Q Was it so that you would be able to see all of
2 the different amounts?

3 A No. If I folded them -- if I fanned them the
4 other way, you would have seen their names, and you
5 would have seen the bank account. So I wouldn't have
6 done it that way. I could have fanned them the other
7 way.

8 Q Were you trying to convey the number of bonus
9 checks you'd be passing out?

10 A Oh, gosh, this is nothing compared to what --

11 Q Do you personally sign all bonus checks?

12 A No.

13 Q But you personally were signing these?

14 A At the time, yes.

15 Q In 2000 -- I believe this was posted in
16 October 2015. Were you personally signing all bonus
17 checks then?

18 A No. I don't think so.

19 Q But you were posting on Facebook about signing
20 bonus checks?

21 A Yes. This -- this -- these, obviously, yes.

22 Q Why were you signing these checks in
23 particular?

24 A I have no idea. They brought them to me, and
25 I signed them.

1 MS. ROOS: You can put that one aside.

2 (Deposition Exhibit 146 was marked
3 for identification by the reporter, a
4 copy of which is attached hereto.)

5 BY MS. ROOS:

6 Q You've been handed Exhibit 146, which is
7 Bates-numbered WA-AG-005776 and is another screen shot
8 of your Instagram account.

9 Does that look right?

10 A Yes.

11 Q And this is another image of a series of
12 checks that you posted?

13 A Uh-huh.

14 Q And in it, you wrote, "Looky looky what day it
15 is," and there's a series of Emojis. "It's Leader
16 Bonus Check signing dayyyyyyyyyyy!! Maybe you're
17 getting one if you are loved" -- "if you've loved and
18 helped someone become a Fashion Consultant!"

19 Did you post that?

20 A Yes.

21 Q And, again, the checks are fanned out to
22 see -- at least sort of see the volume of checks.

23 Did you arrange them in that way?

24 A I think I just went like this. I didn't
25 arrange them in any way.

1 Q And this was another instance where you were
2 signing checks, personally?

3 A Yes.

4 Q And why did you post it on Instagram?

5 A Again, because I like to create excitement.

6 Q Create excitement for whom?

7 A For the successes of those that are part of
8 this amazing company. And I like to show how hard
9 people work.

10 MS. ROOS: You can put that one aside.

11 (Deposition Exhibit 147 was marked
12 for identification by the reporter, a
13 copy of which is attached hereto.)

14 BY MS. ROOS:

15 Q You have now been handed what's been marked as
16 Exhibit 147, which is Bates No. WA-AG-005777 and is
17 another screen shot from your Instagram account.

18 Does that look right?

19 A Uh-huh. What date is it?

20 Q And it looks like this is dated November 2014.

21 And, again, you posted a picture of a series
22 of checks; is that right?

23 A Yep.

24 Q And you posted "Woooooooooooo hoooooooooooo guess
25 what I'm doing and what day it is?????????"

1 A I can read it.

2 Q "It's Leader Bonus check day."

3 Is that something you posted?

4 A Yes.

5 MS. ROOS: You can put that aside.

6 (Deposition Exhibit 148 was marked

7 for identification by the reporter, a

8 copy of which is attached hereto.)

9 BY MS. ROOS:

10 Q So you've now been -- you are being handed
11 what has been marked as Exhibit 148 --

12 A Okay.

13 Q -- which is Bates No. WA-AG-005778 and is
14 another screen shot from your Instagram account; is
15 that right?

16 A Yeah.

17 Q And it's another photo of some checks?

18 A Yep.

19 Q And here you --

20 A The dates are wrong. This one is after this
21 one.

22 Q They are not intended to be in order.

23 A Oh, all right.

24 Q So looking at this one, which is
25 Exhibit 148 --

1 A Uh-huh.

2 Q -- you posted "I'm soooooo excited to be
3 signing these big babies....Leadership Bonus
4 Checks!!!!!! Yes they're going out today!!!!
5 #lovelularoe."

6 Is that something you posted?

7 A Yes.

8 Q And so, again, the checks that you had taken a
9 picture of here are bonus checks?

10 A Yes.

11 Q You can put that aside. So we've seen a
12 series of photos that you've posted of signing bonus
13 checks for retailers.

14 Have you ever encouraged retailers to post
15 pictures of their bonus checks?

16 A Not that I know of.

17 Q Have you ever seen retailers who posted
18 pictures of their bonus checks online?

19 A Not that I can recall.

20 Q I'm going to hand you what's been previously
21 marked as Exhibit 13.

22 (Deposition Exhibit 13 was previously
23 marked for identification, a copy of
24 which is attached hereto.)

25 ///

1 A My sons, son-in-laws. Sometimes my assistant
2 has done it before.

3 Q So which sons have you authorized to post it?

4 A I don't know exactly.

5 Q Have you authorized Kenny?

6 A Yes.

7 Q Have you authorized Jordan?

8 A Yes.

9 Q And your assistant has posted to it?

10 A I don't recall exactly.

11 Q Do any LuLaRoe retailers follow you on
12 Instagram?

13 A Oh, I'm sure they do.

14 Q Do you know how many followers you have on
15 Instagram?

16 A 92,000.

17 Q 92,000?

18 A Uh-huh.

19 (Deposition Exhibit 149 was marked
20 for identification by the reporter, a
21 copy of which is attached hereto.)

22 BY MS. ROOS:

23 Q So you've been handed what's been marked as
24 Exhibit 149, which, for the record, is Bates-stamped
25 WA-AG-005783 and is another screen shot from your

1 DEPOSITION OFFICER'S CERTIFICATE

2 (Civ. Proc. S 2025.520 (e))

3 STATE OF CALIFORNIA)
4 COUNTY OF ORANGE) ss.

5

6 I, Joanna B. Brown, hereby certify:

7 I am a duly qualified Certified Shorthand
8 Reporter, in the State of California, holder of
9 Certificate No. 8570 issued by the Court Reporters
10 Board of California and which is in full force and
11 effect. (Bus. & Prof. S 8016)

12 I am not financially interested in this action
13 and am not a relative or employee of any attorney of
14 the parties, or of any of the parties. (Civ. Proc. S
15 2025.320(a))

16 I am authorized to administer oaths or
17 affirmations pursuant to California Code of Civil
18 Procedure Section 2093(b), and prior to being examined,
19 the deponent was first placed under oath or affirmation
20 by me. (Civ. Proc. S 2025.320, 2025.540(a))

21 I am the deposition officer that
22 stenographically recorded the testimony in the
23 foregoing deposition, and the foregoing transcript is a
24 true record of the testimony given. (Civ. Proc. S
25 2025.540(a))

1 I have not, and shall not, offer or provide
2 any services or products to any party's attorney or
3 third party who is financing all or part of the action
4 without first offering same to all parties or their
5 attorneys attending the deposition and making same
6 available at the same time to all parties or their
7 attorneys. (Civ. Proc. S 2025.320(b))

8 I shall not provide any service or product
9 consisting of the deposition officer's notations or
10 comments regarding the demeanor of any witness,
11 attorney, or party present at the deposition to any
12 party or any party's attorney or third party who is
13 financing all or part of the action, nor shall I
14 collect any personal identifying information about the
15 witness as a service or product to be provided to any
16 party or third party who is financing all or part of
17 the action.

18

19 Dated: January 13, 2020

20

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23

24

25

Joanna B. Brown, CSR, RPR, CRR, RMR
CSR No. 8570