

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.)	
_____)	

***** AWAITING CONFIDENTIAL DESIGNATIONS *****
VIDEOTAPED DEPOSITION OF JORDAN K. BRADY

December 19, 2019

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 JORDAN K. BRADY,
taken on behalf of the Plaintiff, at 5020 Campus Drive,
Newport Beach, California, beginning at 9:01 a.m. and
ending at 5:17 p.m., on Thursday, December 19, 2019,
before JOANNA B. BROWN, Certified Shorthand Reporter
No. 8570, RPR, CRR, RMR.

1 Newport Beach, California; Thursday, December 19, 2019

2 9:01 a.m.

3

4 (JORDAN K. BRADY,

5 deponent, was sworn and examined

6 and testified as follows:)

7

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

15 The time is now approximately 9:01 a.m. on
16 this 19th day of December 2019. We are convening at
17 5020 Campus Drive, Newport Beach, California 92660.

18 My name is Craig Ellingson with Buell Realtime
19 Reporting, LLC, located at 1325 Fourth Avenue,
20 Suite 1840, Seattle, Washington 98101. Will counsel
21 and all present please identify themselves for the
22 record.

23 MS. LEE: Tiffany Lee for the State of
24 Washington. I'm joined by my colleagues,
25 Joseph Kanada; and Breena Roos is on the phone today.

1 MR. TODARO: And Anthony Todaro from DLA Piper
2 on behalf of the witness and all defendants, and with
3 me is Bill Floratos, general counsel of LuLaRoe.

4 THE VIDEOGRAPHER: The court reporter may now
5 swear in the witness.

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

11 THE WITNESS: Yes.

12 EXAMINATION

13 BY MS. LEE:

14 Q Good morning, Mr. Brady. Can you state your
15 full name for the record, and spell it.

16 A Jordan K. Brady, J-o-r-d-a-n, the letter K,
17 last name, B-r-a-d-y.

18 Q And you are aware you are being deposed in the
19 case State of Washington versus LuLaRoe Inc., et al.,
20 today; correct?

21 A Yes.

22 Q Just some -- have you been deposed before?

23 A No.

24 Q So just going over some ground rules for the
25 deposition, so I am here today to ask you questions,

1 Q And when did you graduate?

2 A It would have been November of 2014.

3 MS. LEE: You can mark for exhibit -- a copy
4 of your LinkedIn profile. What number is it?

5 THE REPORTER: 59.

6 (Deposition Exhibit 59 was marked for
7 identification by the reporter, a
8 copy of which is attached hereto.)

9 BY MS. LEE:

10 Q So this is a printout that I just took from
11 your LinkedIn profile.

12 A Sure.

13 Q So let's talk about your job experience.
14 According to this profile, you currently work in -- at
15 LuLaRoe in leadership and culture development.

16 Is that your title?

17 A No.

18 Q What is your title?

19 A I currently do not have one.

20 Q Generally speaking -- well, have you ever had
21 a title?

22 A Yes.

23 Q What was your title previously?

24 A Leadership and culture development.

25 Q And when did you no longer have a title?

1 Or sorry. You said earlier that --

2 A Sure.

3 Q -- you currently don't have a title.

4 A Sure.

5 Q And so do you currently work at LuLaRoe?

6 A Yes.

7 Q So -- but when did you leave your role that
8 was titled "Leadership and Culture Development"?

9 A March of 2019.

10 Q Currently, what do you do at the company?

11 A Whatever another team can't handle.

12 Q What does that mean?

13 A We are running very lean. So if they need an
14 extra body on a team, I step in and help where I'm
15 needed.

16 Q So let's talk for a moment about your role in
17 leadership and culture development. When did you first
18 come into that role?

19 A I don't know.

20 Q Your LinkedIn profile says November 2014. Did
21 you have that role when you first joined the company?

22 A No.

23 Q So let's work backwards from when you first
24 joined the company. Can you walk me through your roles
25 at the company from 2014 to now. And if you didn't

1 have a title, just give me a brief description of what
2 your responsibilities were.

3 A I have held multiple different assignments,
4 many of them without actual titles.

5 Q Okay.

6 A So that's going to be very difficult. Also, I
7 don't remember a timeline to give you specifics, but I
8 have worked in the warehouse, packing boxes. I have
9 worked taking phone calls for customer service and
10 managing various webinars, gone on tour with DeAnne,
11 various project management, and a lot of those have to
12 do with leadership and culture development, but yeah.

13 Q When you were in your role at LuLaRoe and in
14 leadership and culture development, what did your
15 day-to-day look like?

16 A It changed every single day.

17 Q Was part of your role, for example, being on
18 calls with IFRs?

19 A Yes.

20 Q What types of calls were you on on a regular
21 basis?

22 A They were never consistent in the form of the
23 call. Yeah.

24 Q Let me ask you this way.

25 A Sure.

1 Q Did you ever participate in Tuesday Update
2 webinars?

3 A Yes.

4 Q Did you help run those webinars?

5 A Yes.

6 Q Did you use the software Zoom?

7 A Most of the time.

8 Q What was your role on Tuesday Update webinars?

9 A Facilitator.

10 Q And by facilitating, do you mean running the
11 back end, like, the software?

12 A Basically.

13 Q Did you ever speak on those webinars?

14 A Yes.

15 Q What other types of webinars did you
16 facilitate?

17 A Queue Club Call, Tuesday -- you said the
18 Tuesday -- I can't remember the titles of them all.

19 Q Home Office Updates?

20 A Facilitating those, yeah.

21 Q What about Coaches Calls?

22 A Yeah.

23 Q Train the Trainers webinars?

24 A Yep.

25 Q Opportunity Calls?

1 A That would be different than the -- yes.

2 Q So it says here on your LinkedIn profile that
3 you -- that your proudest moment in your career thus
4 far would be your experience in starting a company at
5 school that allowed you to refine and apply your
6 marketing knowledge. Can you tell me more about that
7 experience starting a company.

8 A It was an assignment at school to start a
9 closed-loop business that you could only sell to
10 students at school, and we sold windshield covers to
11 students who didn't want to scrape ice off their
12 windshields.

13 Q And that was a business that you founded?

14 A No. That I was assigned to help found,
15 together, collaboratively, with other students.

16 Q And did you help -- is that the same
17 experience as managing this 12-man sales team, or is
18 that different?

19 A Where are you seeing this?

20 Q In your summary on page 1, it says "During my
21 final year of college, I have managed a 12-man sales
22 team."

23 A That would have been at the BYU-Idaho school.

24 Q So you have some experience in managing
25 salespeople?

1 BY MS. LEE:

2 Q Was Michael Brady always your supervisor?

3 A No.

4 Q Who was your next supervisor?

5 A I do not remember.

6 Q Did you -- was -- were there times where you
7 didn't really have a direct supervisor?

8 A Yes.

9 Q At some point, you were responsible -- your
10 responsibilities shifted beyond the warehouse; is that
11 right?

12 A Yes.

13 Q What were your next set of responsibilities to
14 the best of your memory?

15 A Taking phone calls from independent fashion
16 retailers.

17 Q Was that in 2014?

18 A That, I do not remember specifically when that
19 was. Sorry.

20 Q But that was early on in your stint at
21 LuLaRoe?

22 A Yes.

23 Q So you mentioned you did some work in the
24 warehouse. You assisted in the customer service
25 center. What was your next level of responsibility?

1 A It's so unclear. I don't remember. There was
2 a lot going on. I basically floated to where I was
3 needed.

4 Q So, at some point, it seems that you fell into
5 a role where you were interfacing with fashion
6 retailers fairly regularly; is that correct?

7 A Yes.

8 Q Do you recall around what time period that
9 was?

10 A I was interacting with retailers regularly
11 once I got on the phones.

12 Q And it seemed that one of the other things
13 that you did pretty regularly was to give motivational
14 talks or speeches.

15 A Yeah.

16 Q Is that still part of your role at LuLaRoe?

17 A When I'm asked to, yes.

18 Q Did you ever assist in creating materials for
19 the IFR program?

20 A Would you be more specific.

21 Q For example, like, presentations or training
22 materials?

23 A Yes.

24 Q What types of presentations or training
25 materials did you assist in creating?

1 LuLaRoe, like -- for example, like, what department
2 it's under?

3 A No.

4 Q Do retailers have to pay to attend the cruise?

5 A No.

6 Q So LuLaRoe covers all expenses for retailers
7 who qualify?

8 A On the cruise, yes.

9 Q What about the cost of -- I think, earlier, we
10 mentioned -- or maybe your dad mentioned yesterday that
11 the convention -- sorry.

12 Does -- do retailers have to pay to attend
13 convention?

14 A Yes.

15 Q How much is -- do they have to pay?

16 A It depends on the year and the size of the
17 retailers and the size of the event and the venue-cost
18 requirements.

19 Q Generally, what has been the range?

20 A It's changed every year, so 150 to 200. Yeah.
21 And it changes throughout the year. Like, it's not --
22 there's a ticket price, and then there's various ways
23 to -- yeah.

24 Q So, like, for example, if you buy early, you
25 might get a discount price?

1 A Yeah.

2 Q Are there any other LuLaRoe events that
3 retailers have to pay to attend?

4 A I think, earlier, I indicated Leadership.

5 Q And that happens three times a year?

6 A It depends on the year and whether we have the
7 venue or not or -- yeah, it just depends on the year.

8 Q Have you ever been involved in planning
9 Leadership?

10 A Yes.

11 Q Have you ever delivered a presentation at
12 Leadership?

13 A An intro presentation.

14 Q When was that?

15 A January of last year -- this year. Excuse me.
16 January 2019.

17 Q Do you recall ever working with Dustin Bluhm?

18 A Yes.

19 Q What was your relationship with him?

20 A To have him build surveys. It was -- he was
21 an outside-support offering for surveys.

22 Q He conducted three surveys?

23 A I don't know specifically how many surveys he
24 conducted.

25 Q What was the subject of those surveys?

1 (Deposition Exhibit 84 was marked for
2 identification by the reporter, a
3 copy of which is attached hereto.)

4 BY MS. LEE:

5 Q Jordan, how often did you partake in Training
6 the Trainers webinars?

7 A Whenever I was asked to.

8 Q Did Train the Trainers webinars happen on a
9 weekly basis?

10 A Yes.

11 Q Do you recall around when you first started to
12 be asked to partake in the Train the Trainers webinars?

13 A No.

14 Q Was it when you joined the leadership and
15 culture development team?

16 A Unclear.

17 Q Who asked you to partake in the Train the
18 Trainers webinars?

19 A That's unclear.

20 Q Would it have been Kenny?

21 A It could have been. It depended. Like, I've
22 answered -- I've answered this a little bit different
23 ways. So -- but it depends on the week, who is there,
24 what the topic is, and who is training.

25 Q Did you do Train the Trainers calls regularly?

1 A I was asked to regularly, yes.

2 Q And, typically, as part of the trainer -- the
3 trainers calls that you did, did you broadcast them on
4 Zoom?

5 A Yes.

6 Q Did you ever broadcast them via a different
7 conferencing method?

8 A I don't -- I don't recall.

9 Q And when you did the Train the Trainers call,
10 would you send out a link to the call -- to trainers
11 ahead of time?

12 A The link remained the same. So I don't know
13 whether we sent it out to them ahead of time regularly.

14 Q And Train the Trainers -- you mentioned
15 earlier that Train the Trainers calls were done on a
16 weekly basis. Were they typically done on Wednesdays?

17 A I don't remember which day.

18 Q Do you remember --

19 A We have a lot of webinars. When was this
20 held? On a Wednesday? That's not unlikely that that
21 would have changed, so Wednesdays.

22 Q Were they typically held at the same time on
23 the same day each week?

24 A Yes.

25 Q So take a look at Exhibit 84. Did you receive

1 would have spoken on the Train the Trainers call would
2 have done so at the request of someone at LuLaRoe;
3 right?

4 A Yeah. Yes.

5 Q Did you ever feature non-IFRs on the Train the
6 Trainers calls?

7 A I don't know. I am not able to recall that.

8 THE WITNESS: Can I have this afterwards?

9 MR. TODARO: I'm sorry?

10 THE WITNESS: Can I have this afterwards?

11 MR. TODARO: You'll get a copy of the
12 transcript.

13 THE WITNESS: I guess I can just look in my
14 email, huh?

15 MR. TODARO: You'll get a copy of the
16 transcript.

17 MS. LEE: And all of the exhibits.

18 THE WITNESS: Great. Thanks. Are you done
19 with this?

20 MS. LEE: Yes.

21 THE WITNESS: Okay. Thank you.

22 (Deposition Exhibit 86 was marked for
23 identification by the reporter, a
24 copy of which is attached hereto.)

25 ///

1 BY MS. LEE:

2 Q I just handed you Exhibit 86, LLR-WA00008787.
3 Did you receive this email while you were at LuLaRoe?

4 A Yes.

5 Q And the attachment with the number 8788, is
6 that the attachment that's referred to in the cover
7 email?

8 A We had this confusion earlier, but outside
9 of -- I would assume so, but I don't know.

10 Q Is there any reason to doubt that --

11 A No, no.

12 Q Okay.

13 A I am concerned, however, with even referencing
14 this document considering that she said the Internet
15 flicked on and off.

16 Q So you were concerned about the completeness
17 of this particular transcript?

18 A Yeah. Which makes me concerned that did she
19 even get this -- anyways, continue. Sorry.

20 Q So, I mean, you mentioned one of the reasons
21 that LuLaRoe does closed captioning on these calls is
22 to communicate with the hearing impaired; is that
23 right?

24 A Uh-huh, yes.

25 Q And so, generally speaking, why did -- why

1 (Deposition Exhibit 44 was previously
2 marked for identification, a copy of
3 which is attached hereto.)

4 THE WITNESS: What do you want me to do with
5 this?

6 MS. LEE: I'm about to hand you a document. I
7 am introducing as Exhibit 89 the cover email to
8 Exhibit 44.

9 THE WITNESS: Are you done with 88?

10 MS. LEE: Yes, I'm done with 88.

11 THE WITNESS: Okay.

12 (Deposition Exhibit 89 was marked for
13 identification by the reporter, a
14 copy of which is attached hereto.)

15 THE WITNESS: Okay.

16 BY MS. LEE:

17 Q And I am -- if you look at 89 and 44 --
18 Exhibits 89 and 44, you'll see that the date for
19 Exhibit 89 is June 18th, 2018, and then Exhibit 44 is
20 also June 18th, 2018.

21 Do you see that?

22 A Yes.

23 Q And that, sequentially at the bottom,
24 Exhibit 89 ends in 6741?

25 A Yes.

1 you were at LuLaRoe?

2 A Yes.

3 Q Do you have any reason to doubt that the
4 transcript is the document referred to in the email?

5 A No.

6 Q Thank you.

7 A I didn't mean to make it complicated. Just,
8 no, I don't.

9 Q I blame Joe.

10 A Does it say who is speaking in this?

11 Q I don't believe that it did, but I wasn't
12 planning to ask you any questions about it.

13 A Okay.

14 Q So we can be done with it.

15 A Oh.

16 Q Sorry.

17 A Just to clarify on this email --

18 Q Sure.

19 A -- again, June 2018, there's, like, four
20 people cc'd on this, and three out of the four work at
21 LuLaRoe. So it might not have even been addressed to
22 me, just an FYI. This is a CART writer. So this could
23 have been --

24 Q Is jordan@lularoe.com your email address?

25 A That's my email. What I'm saying is there's a

1 really good chance I just put this in archive.

2 Q Got it. So you may not have even -- you might
3 have received it, but you may not have looked at it?

4 A I don't open transcript emails at all over the
5 past year and a half. So --

6 Q Oh.

7 A Yeah. Because, again, I'm just grandfathered
8 in as the contact if they have any issues, and then I
9 take those. That's not -- I don't do anything with
10 these anymore.

11 Q So when you say you haven't looked at them
12 or -- sorry -- opened the emails for attaching
13 transcripts for a year and a half, it means that you
14 stopped looking at them in the middle of 2018, around?

15 A When I was no longer part of leadership
16 development or even part of these calls, which I don't
17 know when that is, it is irrelevant to whatever I was
18 assigned to; so I stopped opening them.

19 Q Do you know why you were asked to leave
20 leadership development?

21 A No.

22 Q Did anyone ever give you an explanation?

23 A Yes.

24 Q What was the explanation?

25 A They needed my help in marketing.

1 A After Christmas.

2 Q After New Year's?

3 A I don't know when it happened.

4 Q Were you in the office between Christmas and
5 New Year's?

6 A I don't know. I may have, but I don't know.
7 I don't remember.

8 Q Did you celebrate New Year's this year?

9 A Yes.

10 Q What did you do?

11 A We went to -- my wife and I stayed home and
12 watched "Vampire Diaries."

13 Q That sounds lovely.

14 MR. TODARO: Can we take a short break at some
15 point here?

16 MS. LEE: Sure. I'm at a good stopping point.

17 THE VIDEOGRAPHER: Off the record. The time
18 is 2:51 p.m.

19 (Off the record.)

20 THE VIDEOGRAPHER: Going back on the record,
21 the time is 3:03 p.m.

22 (Deposition Exhibit 90 was marked for
23 identification by the reporter, a
24 copy of which is attached hereto.)

25 ///

1 BY MS. LEE:

2 Q I just handed you Exhibit 90, LLR-WA00037346,
3 and it appears from this email and transcript that you
4 spoke on the Train the Trainers webinar on Wednesday,
5 January 25th, 2017; is that correct?

6 A That's what it would appear.

7 Q And if you look down at the third paragraph,
8 it says "We rarely talk about sales, but we will be
9 talking about that today."

10 Was there anything going on at the company at
11 this time that prompted you to talk about sales on the
12 Train the Trainers webinars -- Train the Trainers
13 webinar on January 25th, 2017?

14 A I don't recall.

15 Q Were there any internal discussions about
16 focusing on sales?

17 A I don't recall.

18 Q If you turn to the next page, do you see the
19 paragraph that begins "You need to sell"? It's about
20 halfway down the page.

21 A Who is saying it?

22 Q Oh, I was going to ask you --

23 A Oh, I see it. It's -- I see it.

24 Q From the transcript, it appears that you are
25 the one saying this; is that correct?

1 need to make sure the slides are appropriate for you to
2 use."

3 Earlier, we talked about whether IFR materials
4 had to go through any sort of approval process; right?

5 A (Inaudible response.)

6 Q Here it seems that you are saying that you did
7 need to do some review of slides to make sure they were
8 appropriate.

9 A Yes.

10 Q What kind of review did you typically do?

11 A When we have MacBooks and retailers have PCs,
12 when you upload a MacBook slide and it downloads as a
13 PC, it looks like one of the first slides you gave to
14 me.

15 Q So you were looking at it -- it was like a
16 technical review to make sure the presentation appeared
17 correctly?

18 A I don't know why I said it that way, but
19 that's the only reason I would make that statement.

20 Q But you wouldn't have necessarily embedded any
21 of the content on the slides?

22 A No.

23 (Deposition Exhibit 91 was marked for
24 identification by the reporter, a
25 copy of which is attached hereto.)

1 BY MS. LEE:

2 Q I just handed you Exhibit No. 91 --

3 A Sorry. I need to draw my attention away from
4 this.

5 Q -- LLR-WA00006568. So the bottom email is
6 from Kelly Fruth to you, dated January 10th, 2017;
7 "Subject: LuLaRoe Edited Transcripts"; and it appears
8 that Kelly is sending you transcripts from the Tuesday
9 training webinar.

10 A Yes.

11 Q On -- I understand that, on Tuesdays, there
12 was generally an update webinar that was for all IFRs;
13 right?

14 Was there a different -- another training
15 webinar that happened on Tuesdays regularly?

16 A Yeah. Yes.

17 Q What was that training?

18 A It was the whole-field webinar.

19 Q And when you say whole-field training webinar,
20 do you mean that the training webinar was available to
21 all IFRs?

22 A Yes.

23 Q And so do you recall -- I'm sorry.

24 Was the Tuesday training webinar widely
25 attended by IFRs?

1 A I don't recall the numbers of attendants.
2 They varied based off of week and time of year and --
3 yeah.

4 Q And so sometimes, though, would you have
5 thousands of attendees on certain webinars that were
6 made available to the entire field?

7 A Yes.

8 Q Do you recall if there were certain webinars
9 that were extremely popular and widely attended?

10 A No. It just depended on, again, the time of
11 year. I actually loved -- if you have the answer to
12 that, I would love to know what indicates more people
13 coming to webinars. I have no idea. I don't know how
14 many were on each webinar and what would draw them to
15 be there.

16 Q Got it.

17 A Yeah.

18 Q So, in this email, it appears that there is
19 some sort of mp4 recording that's attached. Would that
20 have been a recording associated with this training
21 webinar?

22 A Do you have the mp4 recording?

23 Q I don't. I'm just asking you if it exists.

24 A I have no idea. So let me --

25 Q But it appears from this email that you might

1 BY MS. LEE:

2 Q And I have another individual up on your
3 screen at 10 minutes and 37 seconds. Who is that?

4 A Emily Ringnalda.

5 Q Are Lindsey and Emily leaders?

6 A Yes.

7 Q And --

8 A When was this? September 7th?

9 Q Looking at Exhibit 99, did you review this
10 document in preparation for your deposition?

11 A This one?

12 Q Yes. Did you look at it?

13 A I don't recall.

14 Q And here is a shot of somebody at 49:13. Is
15 that you?

16 A It is.

17 Q So I'm starting at 49:03, and I'm just going
18 to play some of this. Actually, a question.

19 Did you see this video in preparation for your
20 deposition?

21 A You asked me that.

22 Q Oh, I'm sorry.

23 A And my question is, until you press "play," I
24 don't know the answer to that question.

25 Q Okay. I asked you about the transcript, and

1 you said you weren't sure.

2 A Well, I'm not sure because I haven't read the
3 whole transcript.

4 Q Okay. Let's try.

5 ("We should -- we should plaque that and put
6 it up there. Okay. Lindsey, what do you say to people
7 when they say we are a pyramid scheme?")

8 BY MS. LEE:

9 Q So I want to talk about this call for a
10 minute. Is this a Train the Trainers webinar?

11 A It very well could have been.

12 Q And as part of this Train the Trainers
13 webinar -- or sorry.

14 As part of this webinar, it appears that you
15 were facilitating a discussion or presentation
16 featuring Lindsey Wheeler and Emily Ringnalda; is that
17 correct?

18 A Correct.

19 Q So it also appears -- you saw them a minute
20 ago, but it looked like you were looking perhaps at a
21 Q&A when you posed this question. Do you want to
22 relook at it and see if you were? Sorry.

23 A I mean, I could have been.

24 Q You could have been?

25 A Yeah. I don't know specifically what I was

1 looking at.

2 Q Okay. Whose question -- when you said
3 "Lindsey, what do you say to people when they say we
4 are a pyramid scheme?" whose question was that?

5 A I don't know.

6 Q Was it a question from you?

7 A I don't know. You just asked me if I was
8 looking at a Q&A. I could have been. I don't know.

9 Q But you did ask the question; right?

10 A Out loud, yes.

11 Q Typically -- we talked about earlier that
12 trainers typically attend Train the Trainers calls.
13 Are Train the Trainers calls mandatory for trainers?

14 MR. TODARO: Objection. Counsel is
15 testifying.

16 THE WITNESS: No.

17 BY MS. LEE:

18 Q So a trainer can choose whether to attend a
19 train the Trainers call or not attend one?

20 A We don't force them to do anything. So, I
21 mean, they are humans. They can choose to do that.

22 Q So it's not required that you attend every
23 single Train the Trainers call?

24 A No. Train the Trainers, yeah, no.

25 Q What was the purpose of asking this question

1 during this call?

2 A I don't know what the purpose was.

3 Q Did you have any intent when you asked the
4 question?

5 A I don't know what my intent was three years
6 ago.

7 Q Having seen a portion of the clip now, did you
8 review this video in preparation for your deposition?

9 A Yes.

10 MR. KANADA: I actually want to correct one
11 thing on the record. So I believe that the title under
12 the Bates number for Exhibit 39 is incorrect. Just so
13 there's no confusion, the Bates number itself is
14 correct. The Exhibit is 39 from Wheeler, but the title
15 isn't a video --

16 MS. LEE: We can withdraw that. It's just a
17 cover sheet. It's not being marked. I can take that
18 back.

19 Q We looked at Exhibit 98 earlier, which was
20 dated August 8th, 2016. And you recall, at the yellow
21 tab, we talked about the question from Hailey [sic]?

22 A Yes.

23 Q And the date of this video is from the
24 transcript in 99 is September 7th, 2016. So it appears
25 that this call happened after Hailey's question was

1 posed and the Q&A. Is that a correct understanding of
2 the dates?

3 A That's the timeline.

4 Q And so at the time of the call that I'm
5 showing you in Exhibit 39, had the question of --

6 A Exhibit 39?

7 Q Yeah, in Exhibit 39.

8 A Oh.

9 Q Had the question of "What do you say to people
10 when they say we are a pyramid scheme?" been posed
11 before? And you can look back at --

12 A Which one is -- this video is Exhibit 39?

13 Q Yes. And the date of that is -- we
14 established that was the --

15 A The 7th.

16 Q -- September 7th, 2016.

17 A With this transcript?

18 Q Yes.

19 A You are asking, had it been asked before that?

20 Q Yes.

21 A Well, yeah. Your thingy, Exhibit 98, says
22 that.

23 Q At the time of this recording, what was your
24 understanding of what a pyramid scheme was?

25 A I don't remember what my understanding of a

1 pyramid scheme was at that time.

2 Q Had anybody at LuLaRoe explained to you what a
3 pyramid scheme was?

4 A No.

5 Q Had it come up in discussion with anybody at
6 LuLaRoe? And when I say "LuLaRoe," I mean employees.

7 A I don't recall specifically.

8 Q When you say you "don't recall specifically,"
9 are you saying you don't recall a specific incident, or
10 you are just -- it's fuzzy in your mind?

11 A I don't recall a specific incident.

12 Q Had you done any research -- you are a
13 college-educated guy; right?

14 You graduated with a 3.7 GPA?

15 A I did.

16 Q As part of your education, college education,
17 did you have to do any research?

18 A Yes.

19 Q Like, research for a paper, for example?

20 A Yes.

21 Q So, at your time at LuLaRoe, did you ever
22 research what a pyramid scheme was?

23 A No.

24 Q So I'm starting the clip, replaying the
25 question again but starting at 49:06 because I can't

1 get it to 49:09.

2 (The video was played as follows:

3 "JORDAN BRADY: We should plaque that and put
4 it up there. Okay. Lindsey, what do you say to people
5 when they say we were a pyramid scheme? Quick answer?

6 "LINDSEY WHEELER: We are not a pyramid
7 scheme. My husband thought we were at first. He told
8 me I was going to share a cell with Bernie Madoff
9 because he was convinced that there was no way that I
10 could make this kind of money doing something legally.
11 So, of course, I had to prove him wrong. So I had the
12 biggest skeptic right in my house, next to me. The
13 reason we are not a pyramid....")

14 BY MS. LEE:

15 Q Okay. Do you know who Bernie Madoff is?

16 A No.

17 Q You've never heard of him?

18 A Huh-uh.

19 Q Do you know what a ponzi scheme is?

20 A No.

21 Q And so when Lindsey raised --

22 It sounds like you don't know who Bernie
23 Madoff is.

24 A (Inaudible response.)

25 Q You've never heard of him.

1 So when Lindsey raised Bernie Madoff in the
2 response to your question, is it fair to say no bells
3 went off in your head?

4 A Zero. No bells are going off in my head right
5 now.

6 Q So you still, to this day, don't know who
7 Bernie Madoff is?

8 A No.

9 Q In your opinion, is Lindsey Wheeler a
10 well-respected IFR?

11 A Yes.

12 Q Were you aware that she a pretty large
13 following on social media?

14 A Had? Has? What specifically --

15 Q Let's do had first.

16 A No.

17 Q Are you aware that, today, she has a fairly
18 large following on social media?

19 A Yes.

20 Q And that social following includes current
21 independent fashion retailers?

22 A I don't know who her current following is.

23 Q Do you follow Lindsey Wheeler on Instagram?

24 A No.

25 Q Do you follow her on any other social media

1 account?

2 A I follow her team page on Facebook.

3 Q So, previously, we discussed that sometimes,
4 prior to Train the Trainers calls, you speak with the
5 presenters in preparation for the calls; is that right?

6 A Yes.

7 Q Did you speak with Lindsey prior to this call
8 to prepare her for the call?

9 A I don't know.

10 Q Did you speak with Emily to prepare her for
11 this call?

12 A I don't -- I don't recall.

13 Q Prior to this call, had you ever discussed
14 this topic with Lindsey?

15 A I don't recall.

16 Q Do you know Lindsey's husband Seth?

17 A Yes.

18 Q Do you know them all?

19 A No.

20 Q Were you aware that Seth had raised concerns
21 about LuLaRoe being a pyramid scheme, with Lindsey?

22 MR. TODARO: Objection. Mischaracterizes.
23 Foundation. Relevance.

24 Go ahead.

25 THE WITNESS: I don't recall.

1 ("...scheme is because, in a pyramid scheme,
2 you have to keep signing people up to make money
3 because the product is not of value and people don't
4 really want the product or to continue buying the
5 product. With LuLaRoe, the product is amazing. You
6 can have an incredible business with LuLaRoe if you
7 never sign up a single person. I could not get a bonus
8 check with LuLaRoe, and I could still bring my husband
9 home from the military based on my....")

10 BY MS. LEE:

11 Q Do you agree with Lindsey's explanation of
12 what a pyramid scheme is?

13 MR. TODARO: Object to the form.

14 THE WITNESS: I don't really know what a
15 pyramid scheme is as a legal term. So I couldn't agree
16 or disagree. I like what she said, but I --

17 BY MS. LEE:

18 Q Why did you like what she said?

19 A Because she talks about bringing her husband
20 home from the military and that she can make money by
21 selling product and that she likes the product. She
22 thinks the product has value.

23 Q That's nice, isn't it?

24 A Yep.

25 Q Has your understanding of what a pyramid

1 scheme is changed since you did this call?

2 MR. TODARO: You can answer to the extent
3 you've gained some understanding independent of
4 conversations you've had with legal counsel.

5 THE WITNESS: So are you saying has my
6 knowledge grown outside of what my conversation with
7 legal counsel has been?

8 BY MS. LEE:

9 Q You can answer that question if you'd like.

10 A Not really.

11 Q But you are acknowledging that you had
12 conversations with legal counsel?

13 A About today, yes.

14 MS. LEE: I'm going to continue playing the
15 clip at 49:56.

16 (The video was played as follows:

17 "JORDAN BRADY: ...sales. What's happening in
18 January?")

19 "LINDSEY WHEELER: I don't know.

20 "JORDAN BRADY: Your bonus checks are
21 switching from --

22 "LINDSEY WHEELER: Oh. Again, purchases to
23 sales in January; right? So that takes the last piece
24 off the table if anybody is being to say that we are a
25 pyramid scheme because bonuses are based on actual

1 sales. That is how we make that divide even wider
2 between us and anybody else that is doing any kind of
3 sales like this --

4 "JORDAN BRADY: Yeah.

5 "LINDSEY WHEELER: -- because we are based
6 on -- again, we are rewarding the right kind of
7 behavior.

8 "JORDAN BRADY: Hold on. Pause. Pause. Hold
9 on. Hold on. Before you trainers freak out and go
10 posting it everywhere, let Mark announce that. What it
11 is is we've always been planning this. We've talked
12 about for the last year we need to get away from being
13 a pyramid scheme. Okay? What it is is if you sign up
14 Sally, you have no reason to help Sally sell the
15 product in her room; right? You can just keep
16 promoting her to buy, to buy, to buy, to buy. You
17 could even be paying for her inventory to make your
18 bonus check. There are some dishonest consultants that
19 do that.")

20 BY MS. LEE:

21 Q So, having viewed that clip, what is your
22 reaction?

23 MR. TODARO: Objection. Vague. Overbroad.

24 MS. LEE: I'm just asking for gut reactions.

25 MR. TODARO: Same objection.

1 THE WITNESS: I have no reaction.

2 BY MS. LEE:

3 Q When you stopped Lindsey on this call to
4 say -- hold on a second.

5 When you said "Hold on. Pause. Pause. Hold
6 on. Before you trainers freak out and go posting it
7 everywhere, let Mark announce that," were you coaching
8 Lindsey on her answer?

9 MR. TODARO: Objection. Form. Argumentative.

10 THE WITNESS: No.

11 BY MS. LEE:

12 Q What was the purpose of you asking her to
13 "Hold on. Pause. Pause. Hold on"?

14 A I wasn't talking to Lindsey.

15 Q Who were you talking to?

16 A I was talking to the viewers. That's why I
17 said "Hold on. Pause. Pause. Pause."

18 Q Got it. And when you said "Before you
19 trainers freak out and go posting it everywhere, let
20 Mark announce that," what were you referring to by
21 "that"?

22 A Trainers talk and post things rapidly.

23 Q Were you referring to the change in bonus
24 checks switching from purchases to sales?

25 A I don't know what I was referring to with that

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 Dated:

19

20

21

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

23

24

25