

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 KENNETH BRADY

February 25, 2020

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

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Videotaped deposition of KENNETH BRADY,
taken on behalf of the Plaintiff, at 5020 Campus Drive,
Newport Beach, California, beginning at 9:44 a.m. and
ending at 5:41 p.m., on Tuesday, February 25, 2020,
before JOANNA B. BROWN, Certified Shorthand Reporter
No. 8570, RPR, CRR, RMR.

1 correction. I think you might have said that this is
2 being taken on behalf of defendants. It's actually on
3 behalf of the State of Washington.

4 MS. LEE: Yes. And for appearances,
5 Tiffany Lee for the State of Washington. I'm joined by
6 my colleague, Joe Kanada, here in the deposition and by
7 Breena Roos on the phone.

8 MR. SCHOLNICK: John Scholnick for Mr. Brady
9 and for defendants.

10 MR. FLORATOS: William Floratos for the same.

11 THE VIDEOGRAPHER: Would the reporter please
12 swear in the witness.

13 THE REPORTER: Would you raise your right
14 hand, please. You do solemnly state, under penalty of
15 perjury, that the evidence you shall give in this
16 matter will be the truth, the whole truth, and nothing
17 but the truth?

18 THE WITNESS: Yes.

19 THE REPORTER: Thank you.

20 EXAMINATION

21 BY MS. LEE:

22 Q Can you state and spell your name for the
23 record.

24 A Kenneth Brady, K-e-n-n-e-t-h B-r-a-d-y.

25 Q Have you been deposed before?

1 Q What part of the business was that?

2 A I started focusing more in on leadership
3 development.

4 Q When did you start focusing more on leadership
5 development?

6 A I can't recall.

7 Q Did you assume any other responsibilities
8 aside from leadership development?

9 A Some of the hats to be worn until other
10 individuals were hired on to take on those roles. My
11 main focus was leadership development.

12 Q And so when other folks who were hired started
13 to take on some of those leadership development roles,
14 what role did you fall into?

15 A Still leadership development.

16 Q What's your current title?

17 A VP of sales.

18 Q How long have you been VP of sales?

19 A I can't recall.

20 Q How did you come about that role?

21 A They thought I'd be the best person.

22 Q Who is "they"?

23 A Those that were involved in the company at the
24 time.

25 Q Was that Mark and DeAnne?

1 sorry.

2 Q Does Will have a title?

3 A I don't know his title.

4 Q What does he do?

5 A Internal culture.

6 Q What does Aaron do?

7 A He does leadership development. He organizes
8 our tour stops. He oversees our outreach team.

9 Q What does Christian do?

10 A He also is leadership development and also
11 works with our marketing department.

12 Q What does Ben do?

13 A He does leadership development.

14 Q Was Jordan Brady ever on your team?

15 A Yes.

16 Q When did he leave your team?

17 A I can't recall.

18 Q What did Jordan do?

19 A Leadership development.

20 Q So he would have reported directly to you?

21 A Yes.

22 Q Aside from Jordan, have there been other
23 direct reports that you've had in the past who are no
24 longer on your team?

25 A Yes.

1 A No.

2 Q So that phrase is not used at LuLaRoe?

3 A No. Sorry.

4 Q In general, what responsibilities did the
5 executive team have at LuLaRoe?

6 A I don't know.

7 Q You were on it; right?

8 A Yes.

9 MR. SCHOLNICK: It picks up in the microphone.

10 THE WITNESS: Oh, the tapping? Yeah. Sorry.

11 I won't tap.

12 MR. SCHOLNICK: Thank you.

13 THE VIDEOGRAPHER: It picks up anything.

14 THE WITNESS: Do you want me to talk louder?

15 Okay. I can do that.

16 THE VIDEOGRAPHER: Thank you.

17 MS. LEE: I'm marking Exhibit 203, which the

18 court reporter will hand to you.

19 (Deposition Exhibit 203 was marked
20 for identification by the reporter, a
21 copy of which is attached hereto.)

22 THE WITNESS: Thank you.

23 BY MS. LEE:

24 Q Did you ever help plan the agenda for the
25 executive team meetings?

1 A Yes.

2 Q Who else was involved in helping to plan the
3 agenda for executive team meetings?

4 A Art.

5 Q Anyone else?

6 A I can't recall.

7 Q In 2015, typically, who would attend the
8 executive meetings?

9 A I can't recall.

10 Q Who would run the meetings?

11 A I can't recall.

12 Q Did you ever run an executive team meeting?

13 A Yes.

14 Q How many did you run?

15 A I can't recall.

16 Q More than ten?

17 A I can't recall.

18 Q Can you give me an estimate?

19 A I can't recall.

20 Q It's too many to remember?

21 MR. SCHOLNICK: I wouldn't take that inference
22 away from that. He said he can't recall. He didn't
23 say it's too many to remember. Do you want to ask him
24 another question, or is that the question you want?

25 MS. LEE: That's the question I want to ask.

1 BY MS. LEE:

2 Q In your experience -- sorry.

3 In your opinion, if a leader encouraged their
4 down line to purchase more inventory irrespective of
5 whether they are able to actually sell that inventory,
6 is that a principle that you would want replicated?

7 MR. SCHOLNICK: Objection. Incomplete
8 hypothetical, but go ahead. You can answer.

9 THE WITNESS: Correct. Yes.

10 BY MS. LEE:

11 Q If a leader paid another retailer to help
12 recruit to their down line, would that be a principal
13 that you would want replicated or duplicated by other
14 retailers?

15 MR. SCHOLNICK: Same objection.

16 THE WITNESS: No.

17 BY MS. LEE:

18 Q Why not?

19 A It's not the right leadership principle we
20 want duplicated.

21 Q Why isn't it one that you would want
22 duplicated?

23 A Repeat that question, not the why it was not
24 duplicated, the first one.

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DEPOSITION OFFICER'S CERTIFICATE

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STATE OF CALIFORNIA)
) ss.

I, Joanna B. Brown, hereby certify:

I am a duly qualified Certified Shorthand Reporter, in the State of California, holder of Certificate Number CSR 8570 issued by the Court Reporters Board of California and which is in full force and effect. (Bus. & Prof. § 8016)

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

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

I am the deposition officer that stenographically recorded the testimony in the foregoing deposition and the foregoing transcript is a true record of the testimony given. (Civ. Proc. § 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. § 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 collect
14 any personal identifying information about the witness
15 as a service or product to be provided to any party or
16 third party who is financing all or part of the action.
17 (Civ. Proc. § 2025.320(c))

18 Dated: March 10, 2020

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

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25



E R R A T A

CASE NAME: State of Washington v. LLR, Inc., et al.

DATE TAKEN: 02/25/2020

WITNESS: Kenneth Brady (Awaiting Confidential Designations)

CORRECTIONS

Page	Line	Now Reads	Should Read
29	19	that may be going to team, that	that may be grow a team, that
43	19-21	19 Kenny Brady, 20 John Diehl, Kenny Brady, Art McCracken, Austin Stidham, 21 Art McCracken, Austin Stidham.	delete
52	25	track patturn	track prints
55	13	just view	just my point of view
55	16	And they will say	And then I would say
90	9	yes	no
130	14	surveying	serving
160	3	241	delete
181	4	purchase a LuLaRoe call?	participate in a LuLaRoe call?

Kenny Brady

Signature of Deponent




DECLARATION

CASE NAME: State of Washington v. LLR, Inc., et al.

DATE TAKEN: 02/25/2020

WITNESS: Kenneth Brady (Awaiting Confidential Designations)

I declare under penalty of perjury under the laws of the State of Washington that I have read my within deposition, and the same is true and accurate, save and except for changes and/or corrections, if any, as indicated by me on the ERRATA flyleaf page hereof.



Kenneth Brady (Awaiting Confidential Designations)

Signed on the 2 day of April, 2020.