

**Excerpts From Lea Brownell
Deposition Transcript
October 19, 2016**

From Article at [http://www.fox42.com/Debtors](#)

In the Matter of:

FTC v. Life Management Services, et al.

October 19, 2016

Lee Ann Brownell

Condensed Transcript with Word Index



For The Record, Inc.

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Brownell

1	<p>1 UNITED STATES DISTRICT COURT</p> <p>2 MIDDLE DISTRICT OF FLORIDA</p> <p>3 ORLANDO DIVISION</p> <p>4</p> <p>5 FEDERAL TRADE COMMISSION and)</p> <p>6 OFFICE OF THE ATTORNEY GENERAL,)</p> <p>7 STATE OF FLORIDA, DEPARTMENT)</p> <p>8 OF LEGAL AFFAIRS,)</p> <p>9 Plaintiffs,)</p> <p>10 v.) CASE NO.</p> <p>11 LIFE MANAGEMENT SERVICES OF) 6:16-cv-982-Orl-41TBS</p> <p>12 ORANGE COUNTY, LLC, et al.,)</p> <p>13 Defendants.)</p> <p>14 _____)</p> <p>15</p> <p>16</p> <p>17 - - - - -</p> <p>18 The deposition of LEA ANN BROWNELL was</p> <p>19 taken on Wednesday, October 19, 2016, commencing at</p> <p>20 8:52 a.m., at the offices of Akerman LLP, 420 South</p> <p>21 Orange Avenue, Suite 1200, Orlando, Florida, before</p> <p>22 Lorraine Yerdonek, Court Reporter and Notary Public.</p> <p>23 - - - - -</p> <p>24</p> <p>25</p>	3
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2	<p>1 A P P E A R A N C E S</p> <p>2</p> <p>3 ON BEHALF OF THE PLAINTIFF FEDERAL TRADE COMMISSION:</p> <p>4 JOSHUA A. DOAN, ESQ.</p> <p>5 TEJASVI M. SRIMUSHNAM, ESQ.</p> <p>6 Federal Trade Commission</p> <p>7 600 Pennsylvania Avenue, Northwest</p> <p>8 Washington, D.C. 20580</p> <p>9 202-326-3187</p> <p>10 jdoan@ftc.gov</p> <p>11 tsrimushnam@ftc.gov</p> <p>12</p> <p>13 ON BEHALF OF THE PLAINTIFF OFFICE OF THE ATTORNEY</p> <p>14 GENERAL, STATE OF FLORIDA, DEPARTMENT OF LEGAL</p> <p>15 AFFAIRS:</p> <p>16 DENISE KIM BEAMER</p> <p>17 Assistant Attorney General</p> <p>18 ANNA CAPLAN</p> <p>19 Investigating Specialist I</p> <p>20 Office of the Attorney General State of Florida</p> <p>21 135 West Central Boulevard, Suite 670</p> <p>22 Orlando, Florida 32801</p> <p>23 407-316-4840</p> <p>24 denisebeamer@myfloridalegal.com</p> <p>25 nannacaplan@myfloridalegal.com</p>	4
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1	<p>1 APPEARANCES (Cont'd.)</p> <p>2</p> <p>3 ON BEHALF OF THE DEFENDANT KEVIN GUICE AND THE</p> <p>4 RELIEF DEFENDANTS ROBERT GUICE AND TIMOTHY WOODS:</p> <p>5 AMY B. TALISMAN, ESQ. (Via Telephone)</p> <p>6 Cove & Associates, P.A.</p> <p>7 225 South 21st Avenue</p> <p>8 Hollywood, Florida 33020</p> <p>9 (954) 921-1121</p> <p>10 abt@covelaw.com</p> <p>11</p> <p>12</p> <p>13 ON BEHALF OF THE DEFENDANT LINDA MCNEALY</p> <p>14 DAVID P. HILL, ESQ. (Via Telephone)</p> <p>15 Law Offices of David P. Hill, P.A.</p> <p>16 214 Annie Street</p> <p>17 Orlando, Florida 32806-1208</p> <p>18 407-648-0006</p> <p>19 dphill@cfl.rr.com</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	3
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2	<p>1 APPEARANCES (Cont.d)</p> <p>2</p> <p>3 RECEIVER FOR THE CORPORATE DEFENDANTS:</p> <p>4 MARK J. BERNET, ESQ.</p> <p>5 Akerman, LLP</p> <p>6 401 East Jackson Street, Suite 1700</p> <p>7 Tampa, Florida 33602</p> <p>8 813-223-7333</p> <p>9 mark.bernet@akerman.com</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	4
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1 phone, do you want to announce your names for

2 the record?

3 MS. TALISMAN: This is Amy Talisman, and I

4 am here on behalf of Kevin Guice and the two

5 relief defendants, Robert Guice and Timothy

6 Woods.

7 MS. BEAMER: Anyone else on the phone?

8 Okay.

9 MR. BERNET: And I'm Mark Bernet. I'm the

10 receiver for the various company defendants.

11 BY MS. BEAMER:

12 **Q Ms. Brownell, we're here to take your**

13 **deposition.**

14 **And I first want to start off with asking,**

15 **have you ever taken a deposition before?**

16 A No.

17 **Q So there's just a couple of rules that we**

18 **need to follow, and I'll just tell you about that**

19 **now.**

20 **First, because the court reporter is**

21 **taking everything down, we can't talk at the same**

22 **time. So just let whoever is asking the question**

23 **finish and then you can respond, and we can take it**

24 **from there. Do you understand?**

25 A Yes, ma'am.

1 PROCEEDINGS

2 ----

3 Whereupon--

4 LEA ANN BROWNELL,

5 called as a witness, having been first duly sworn,

6 was examined and testified as follows:

7 THE WITNESS: I do.

8 EXAMINATION

9 BY MS. BEAMER:

10 **Q Good morning. Could you please state your**

11 **name for the record?**

12 A Lea Ann Brownell.

13 **Q And can you spell your last name?**

14 A B-R-O-W-N-E-L-L.

15 **Q And, Ms. Brownell, my name is Denise**

16 **Beamer. I'm with the Florida AG's Office. I'm here**

17 **with two attorneys from the Federal Trade**

18 **Commission.**

19 MS. BEAMER: Do you want to say your name

20 for the record?

21 MR. DOAN: Sure. My name is Josh Doan. I

22 represent the FTC in this case.

23 MR. SRIMUSHNAM: My name is Tej

24 Srimushnam. I represent the FTC in this case.

25 MS. BEAMER: And also present, on the

1 **Q If there's ever a question that you don't**

2 **understand, just ask us to clarify and we will do**

3 **the best that we can.**

4 A Okay.

5 **Q If you don't ask us to clarify, then we'll**

6 **assume you understand the question.**

7 A Yes, ma'am.

8 **Q Also, the record can't understand**

9 **"uh-huhs" and head nods. So if you can just keep**

10 **your answers to a yes or a no, that would be greatly**

11 **helpful.**

12 A Okay.

13 **Q All right. Also, if you need a break at**

14 **any point, let us know and we can kind of take a**

15 **break.**

16 A Okay.

17 **Q So I see that you're here -- okay. And**

18 **right when we started, the court reporter swore you**

19 **in. You realize that is an oath to tell the truth**

20 **as if you were appearing in court and in front of a**

21 **judge?**

22 A Yes, ma'am.

23 **Q So -- also, I see that you don't have an**

24 **attorney. Is that right?**

25 A Yes, ma'am.

9

1 **Q And you realize that you can choose to**
2 **have an attorney present with you if you wanted?**

3 A Yes, ma'am.

4 **Q But you -- why do you not have an**
5 **attorney?**

6 A I'm just here to say that I worked
7 somewhere, from what I know. So ...

8 **Q Okay. So let's start with, where were you**
9 **born?**

10 A Wellsville, New York.

11 **Q And can you tell me about your educational**
12 **background, your schooling?**

13 A I went to elementary school, K through
14 third grade, here at Union Park Elementary, and then
15 I went to Whitesville, New York from fourth grade --

16 **Q Hold on one second.**

17 MS. BEAMER: Is there someone on the
18 phone. Hello?

19 **Q Okay.**

20 A -- from fourth grade to senior. Then I
21 went into the Army until 2003. Then I did a little
22 bit of college time. And that's it.

23 **Q So did you finish high school?**

24 A Yes.

25 **Q You graduated?**

10

1 A Graduated, yes, ma'am.

2 **Q And you went to the Army immediately**
3 **after?**

4 A Yes.

5 **Q Okay. Tell me about that experience.**

6 A It was probably the best experience of my
7 life. I went in as a private, got out as a sergeant
8 promotable and spent some time in Iraq, Hawaii,
9 transporting chemical weapons and ...

10 **Q How long were you in the Army for?**

11 A Six years and a couple months.

12 **Q And what year did you start?**

13 A 1997.

14 **Q Okay. And then when did you leave?**

15 A I got out in 2003.

16 **Q And during that time what was your rank?**

17 A I went from a private to a sergeant
18 promotable.

19 **Q And where were you stationed?**

20 A I did my basic in Fort McClellan, Alabama.
21 Then I went to Fort Benning, Georgia, then I went to
22 Johnson Atoll, Hawaii. I went to Fort Campbell,
23 Kentucky. I came down on orders for Korea, but I
24 didn't go because I had deployed to Iraq with Fort
25 Campbell. And then I got out after that.

11

1 **Q Okay. And what were your job duties while**
2 **you were in the Army?**

3 A From the time I was a private to a
4 specialist when I was at Fort Campbell, I was in the
5 NBC NCO, as well as my commander's driver.

6 **Q I'm sorry, you said?**

7 A NBC NCO.

8 **Q What does that stand for?**

9 A Nuclear biological and chemical weapons.

10 **Q Okay.**

11 A My job -- I was a 54-BRAVO, which is a
12 chemical specialist.

13 **Q So what does that mean for someone that**
14 **wasn't in the Army?**

15 A I taught and trained people how to protect
16 themselves from chemical weapons. When I went to
17 Johnson Atoll, it's a man-made island 800 miles off
18 of Hawaii, we transported and destroyed chemical
19 weapons that were stored at the depot. I was there
20 for the last tour, where we shut it down, and that's
21 when I went to Fort Campbell, which I was the
22 NBC NCO, as well as the operations NCO, where I
23 worked hand in hand with my first sergeant command.

24 **Q And when you were the NCO, what you just**
25 **mentioned, what does that entail?**

12

1 A The NBC NCO? I was responsible for
2 thousands of dollars worth of equipment, as well as
3 teaching and training people to protect themselves
4 from a nuclear attack or a chemical attack.

5 **Q Okay. And did you have any other duties**
6 **other than that while you were in the Army?**

7 A Like I said, I was the operations NCO,
8 which I handled the training for all of the soldiers
9 in our company, as well as our battalion at 326
10 Engineers. That was my last ...

11 **Q And how long were you an operation**
12 **specialist for?**

13 A Two, two and a half years, the time frame
14 I was at the Fort Campbell. I was also an NBC NCO
15 at the same time.

16 **Q Okay. And why did you leave the Army?**

17 A Well, I got left on the side of the road
18 in Iraq for five hours with one clip and a
19 9-millimeter, and it was my deciding factor that
20 they felt I was expendable, so ...

21 I also -- that's when I became comfortable
22 that I was gay, and instead of them using that
23 against me, I got out with an honorable discharge.

24 **Q Okay.**

25 A Because I was tired of living two lives.

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1 A And then Tanya is an FA too. And I don't
2 know Tanya's last name.
3 BY MR. DOAN:
4 **Q She's Tanya from Life Management Services
5 of Orange County?**
6 A Yes, she worked with us as well.
7 (Reporter clarification requested.)
8 MR. DOAN: It's Tanya or Tanya. It's
9 T-A-N-Y-A.
10 THE WITNESS: I say Tanya.
11 BY MR. DOAN:
12 **Q Yeah, you're probably right since you
13 worked with her and I haven't.**
14 A No, I'm not close with her, but I have
15 worked with her.
16 BY MS. BEAMER:
17 **Q Here, why don't you take a look at these.
18 Take a look at that list of employees from Higher
19 Goals and let me know else who else is from Science
20 Drive.**
21 A (Witness reviews document.)
22 Shanae.
23 **Q How do you spell that?**
24 A It's spelled -- I don't personally know,
25 but you have it spelled S-H-A-N-A-E.

122

1 **Q Okay.**
2 A And Sylina.
3 **Q And if you can spell Sylina for me.**
4 A S-Y-L-I-N-A. From what -- the people that
5 I knew and speak to at Science Drive.
6 **Q So have you seen Sylina at Higher Goals?**
7 A I seen her a couple times, but nothing --
8 I -- I don't even know what she's doing there.
9 **Q So you have or have not seen her?**
10 A I have.
11 **Q And Shanae, have you seen her at Higher
12 Goals?**
13 A Yes.
14 **Q And Tanya at Higher Goals?**
15 A Yes. But Shanae -- like I said, Tanya,
16 Sylina and Shanae, I don't even know what they do.
17 **Q What about Tanya?**
18 A Like I said, she's a financial advisor
19 there.
20 **Q All right. So you're not on the phones.
21 You're a consultant. And you --**
22 A I pretty much help monitor the FAs to make
23 sure that they're not steering somebody in the wrong
24 direction. I don't get on the phone.
25 **Q What about DE?**

123

1 A Oh, no.
2 **Q There's no longer any -- there is no DE
3 program at Higher Goals?**
4 A No.
5 **Q And how do you get your leads?**
6 A I don't know.
7 **Q So whenever you talk to consumers at the
8 Science Drive location, did they ever mention
9 getting a call, like a recorded call?**
10 A No. Because I didn't -- I wasn't doing
11 the LI portion at Science Drive.
12 **Q Did you ever hear of LI qualifiers talk
13 about that?**
14 A No.
15 **Q When you're listening, do you listen to
16 phone calls at Higher Goals?**
17 A Only with the financial advisors.
18 **Q So you're only monitoring the financial
19 advisors?**
20 A Yes. To make sure that nobody is saying
21 the wrong thing or talking to the banks wrong,
22 anything like that.
23 **Q So where is Heather Cline working right
24 now?**
25 A I have no clue.

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1 **Q What about Kara Andrews?**
2 A No clue.
3 **Q And what about John Kunz?**
4 A No clue.
5 **Q Do you know where Kevin Guice is working?**
6 A No.
7 **Q Does he have a job?**
8 A I don't know.
9 **Q Do you know if Shannon has a job?**
10 A I do not know.
11 **Q Do you know how they're making money to
12 support their --**
13 A I have no clue how they're making money.
14 Sorry, I cut you have off again.
15 **Q No, that's okay.**
16 **Do you know how Shannon and Kevin are
17 making money to support their family?**
18 A No, I do not.
19 **Q So I'm going to pass you off to Josh.
20 He's going to ask you questions. It's just a lot of
21 questions. So he'll ask you some questions and then
22 we'll kind of maybe go back and forth.**
23 THE WITNESS: And you're with the AG and
24 you're with the FTC.
25 MR. DOAN: That's right.

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1 THE WITNESS: Okay.
 2 BY MR. DOAN:
 3 **Q So, again, Ms. Brownell, my name is Josh**
 4 **Doan. I work for the Federal Trade Commission. I'm**
 5 **with Mr. Srimushnam, who's sitting to my left here.**
 6 **Has Kevin Guice asked you for money since**
 7 **June 9th?**
 8 A No.
 9 **Q Have you offered to give him any?**
 10 A No.
 11 **Q Has Nikki McNealy asked you for money?**
 12 A No. She never asked me.
 13 **Q You've given her some?**
 14 A Yes.
 15 **Q How much money have you given her?**
 16 A For her birthday I give her \$500.
 17 **Q Okay. Where did you get that?**
 18 A My paycheck.
 19 **Q From?**
 20 A Higher Goals Marketing.
 21 **Q Okay. You said you listen to the FAs at**
 22 **Higher Goals Marketing when they're talking to**
 23 **consumers to make sure they don't say anything**
 24 **incorrect?**
 25 A Correct.

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1 **Q Are you listening to both ends of the call**
 2 **or just the FAs end of the call?**
 3 A The both ends. I monitor.
 4 **Q Okay. Do you have like a headset, or how**
 5 **does that work?**
 6 A No. I just pick up a phone in the office
 7 and I put in the extension, and it will patch into
 8 that phone.
 9 **Q How many FAs are you reviewing at Higher**
 10 **Goals Marketing?**
 11 A Three.
 12 **Q And can you tell me who they are, please?**
 13 A Samantha O'Donnell, Tanya and Britany.
 14 **Q And what's Britany's last name?**
 15 A Kincaid.
 16 **Q Is she the same Britany that was at --**
 17 A No. I'm sorry.
 18 **Q That's okay.**
 19 **So she's not the same Britany from Total**
 20 **Security Vision?**
 21 A No, completely different.
 22 **Q Okay. And I'm sorry if you already**
 23 **answered this, but was Britany at Life Management**
 24 **Services of Orange County?**
 25 A No.

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1 **Q Who are Lance and Lisa Palmer? Do you**
 2 **know them?**
 3 A No. I've heard the name Lisa Palmer, but
 4 I do not know them personally. I never met them.
 5 **Q Okay. If I told you that -- do you know**
 6 **what Sunbiz is?**
 7 A Yes.
 8 **Q If I told you that when I go on Sunbiz and**
 9 **look up Lower Interest Rate Consulting, LLC, the**
 10 **company that you worked for, the registered agent is**
 11 **Lisa Palmer, and the managing member is Lance**
 12 **Palmer, do you know anything about that?**
 13 A No, I do not.
 14 **Q Okay. As far as you know, Kevin Guice was**
 15 **your boss at Lower Interest Rate Consulting?**
 16 A Yes.
 17 **Q Okay. And you're not aware of any**
 18 **arrangement between Mr. Guice and Lance or Lisa**
 19 **Palmer?**
 20 A No, I am not.
 21 **Q You said before that you were the only**
 22 **debt elimination closer at Life Management Services?**
 23 A At Science Drive, yes.
 24 **Q How about before the company was at**
 25 **Science Drive?**

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1 A When we first started doing it, I believe
 2 the other closers were part of it, but --
 3 **Q Who were they?**
 4 A The other -- the old -- the closers at the
 5 old office?
 6 **Q Yes.**
 7 A Well, Randi was a closer, but she never
 8 pitched debt elimination.
 9 **Q Who were the other DE closers?**
 10 A There was Melissa.
 11 **Q That's Melissa Deese?**
 12 A No.
 13 **Q It's a different Melissa?**
 14 A A different Melissa. I do not know her
 15 last name.
 16 **Q Harmony?**
 17 A It could be, yes.
 18 **Q Do you know who I'm talking about?**
 19 A Yes, I do.
 20 **Q Okay. But it was not --**
 21 A I'm not sure if that's her last name, but
 22 I do know that it's been said. I called her Bitty,
 23 so ...
 24 Because one day I wanted to go say Buddy,
 25 and it came out Bitty to her and it just stuck.

32 (Pages 125 to 128)

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1 **Q And I think you said earlier that Heather**
 2 **Cline was formerly known as Heather Guice, correct?**
 3 A Yes.
 4 **Q But I'm not sure whether you connected**
 5 **this with -- she's Kevin's sister, right?**
 6 A Yes.
 7 **Q Okay. And did you understand Heather to**
 8 **be acting on Kevin's behalf?**
 9 A I don't know.
 10 **Q Was Kevin Heather's boss?**
 11 A I don't know.
 12 **Q Okay. Did you understand anybody else to**
 13 **be Heather's boss?**
 14 A From what I understood, she was an
 15 employee like the rest of us. If she was told she
 16 needed to be at work by Kara, Nikki or John, she was
 17 to be there.
 18 **Q And Kevin was Kara, Nikki and John's boss?**
 19 A From what I understand, yes. Or somebody,
 20 but yes. Like I said, at Science Drive, Harry
 21 signed our checks.
 22 **Q Okay.**
 23 A In Lake Underhill, it was Kevin signed our
 24 checks. So when we went to Science Drive, I believe
 25 that Harry was now everybody's boss. From the

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1 person who signed my paycheck, that's who I would
 2 consider to be the boss.
 3 **Q Okay. And --**
 4 A I don't know who was in charge of
 5 everything. Like, who told Nikki or Kara or John
 6 what to do or anything like that.
 7 **Q Did you ever see Harry Wahl come in and**
 8 **give Nikki instructions?**
 9 A No. I never physically really seen
 10 Harry -- I don't even think I've ever seen Harry in
 11 the office.
 12 **Q Okay. Did you get to pick where you sat**
 13 **at the Science Drive location?**
 14 A When we moved into the Science Drive
 15 office, I was told that was my seat.
 16 **Q Who told you that?**
 17 A Kara and Nikki.
 18 **Q Okay. Do you know why they put you by the**
 19 **door?**
 20 A I have no clue why I was put by the door.
 21 **Q Okay. Did you like sitting next to the**
 22 **door?**
 23 A It was loud and hot, so no. I used to ask
 24 all the time if I could move, and I was told no,
 25 so ...

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1 **Q Did you like sitting next to Nikki?**
 2 A When Nikki was there, it was all right
 3 because at least then when I wanted to take a break
 4 I had somebody to talk to. When she wasn't there,
 5 it annoyed me because everybody was too loud.
 6 **Q Okay. And Kara would sit in the desk when**
 7 **Nikki wasn't there?**
 8 A Yes.
 9 **Q And Travis sat next to you on the other**
 10 **side?**
 11 A At times.
 12 **Q And at other times who sat there?**
 13 A I had Shanae sit next to me at one point
 14 in time. The seat was empty for a while. People
 15 would be moved around and I would stay at my seat.
 16 So if the seat was empty, nobody would sit there.
 17 **Q What did Travis do?**
 18 A I believe he did retention.
 19 **Q What does "retention" mean?**
 20 A Just pretty much re-explain the process to
 21 the clients and put them back on the phone with the
 22 advisor.
 23 **Q Why would he need to do that?**
 24 A If the client maybe wasn't understanding
 25 what the advisor was doing and the advisor was

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1 having a hard time explaining it.
 2 **Q So after the client had paid?**
 3 A No, before.
 4 **Q Okay.**
 5 A Because we don't get paid until after the
 6 work is done.
 7 **Q How did clients pay you when you were**
 8 **at -- how did clients pay your companies when you**
 9 **were at Life Management Services?**
 10 A As I said earlier, I'm not sure about on
 11 the LI side because I didn't pitch that anymore.
 12 For DE it would come off of the credit card. It
 13 would be in the form of a balance transfer, direct
 14 deposit or ACH into their checking account, or even
 15 a cash advance.
 16 **Q So when you did a DE sale, you never**
 17 **charged somebody's Visa card, for example?**
 18 A Not through a merchant, no.
 19 **Q Why not?**
 20 A I don't know. I never utilized a merchant
 21 in that office.
 22 **Q Okay. How about in other offices?**
 23 A Starting to? Yeah.
 24 **Q When did you stop using merchants to**
 25 **charge people's credit card?**

35 (Pages 137 to 140)

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1 A 2008, '9, time frame; I don't know. I
2 don't know the exact time frame. From what I
3 remember.
4 **Q Okay. So your testimony is that by 2010,**
5 **the company was no longer charging credit cards for**
6 **LI and DE services?**
7 A From what I know, yes. Correct.
8 **Q Okay.**
9 A We were still getting our fee off the
10 credit card; it just wasn't going through a
11 merchant.
12 **Q And you have no understanding of why that**
13 **was?**
14 A No understanding at all.
15 **Q Do you know about a company called WBE**
16 **Management, LLC?**
17 A I've heard the name.
18 **Q Where did you hear the name?**
19 A It was a name that would say that it would
20 appear on their credit card or through their -- I
21 believe it was an ACH account or something like
22 that, when I was closing.
23 **Q So did WBE Management, LLC charge**
24 **consumers' credit cards?**
25 A I don't know if they physically charged

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1 them, but I remember saying WBE and saying it to a
2 client.
3 **Q When you said earlier, you said you**
4 **weren't sure on the credit card --**
5 A I wasn't sure if it was a charge on the
6 credit card or a ACH out of their checking account.
7 Because I corrected myself on that, too. But I know
8 that I've told clients that WBE name before.
9 **Q Did you ever work for WBE Management, LLC?**
10 A No.
11 **Q Why would WBE Management, LLC be doing an**
12 **ACH or credit card transaction for a consumer that**
13 **you closed?**
14 A I don't know. It's just what I -- I was
15 told that's the way it would appear.
16 **Q Who told you to use WBE Management, LLC?**
17 A I don't remember.
18 **Q How about WM & T Enterprises, LLC?**
19 A Do not recognize that name.
20 **Q How about W & M Enterprises of Orange**
21 **County --**
22 A Do not remember that name as well.
23 **Q Do you know the name Lee Castine?**
24 A No.
25 **Q Leroy Castine?**

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1 A No.
2 **Q So in addition to WBE Management, LLC,**
3 **what other names would you tell consumers would be**
4 **charging them for your services?**
5 A KWP, LPS, UAD.
6 **Q URB?**
7 A I don't remember using URB, but possibly,
8 yes.
9 **Q Okay. You know what I'm talking about**
10 **when I say URB?**
11 A Yes.
12 **Q Any others?**
13 A KWP, UAD. LFCS, I believe, is what -- no,
14 that's Life Management; sorry. I'm sorry, I'm
15 trying to think. YFP and YCC.
16 **Q How about Reward Services?**
17 A I don't remember ever saying that anything
18 would appear as Reward Services.
19 **Q How about FOC Credit?**
20 A Yes.
21 **Q So that's another name you used to charge?**
22 A I believe so, yes.
23 **Q Okay. And LFCS, you mentioned.**
24 A Yes.
25 **Q Did you use that name as well?**

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1 A I don't remember, but I remember LFCS, but
2 that was the way it -- Life Management Financial
3 Services or something like that. So ...
4 **Q Or Loyal Financial and Credit?**
5 A No. No, it wasn't -- yes, Loyal. Yes.
6 You're correct.
7 **Q Is Loyal the same as LFCS?**
8 A I'm not sure.
9 **Q Okay. How about Royal? You worked for**
10 **Royal, right?**
11 A Yes.
12 **Q Okay. Was LFCS a d/b/a of Royal?**
13 A I don't know.
14 **Q But you think LFCS was a d/b/a of one of**
15 **those two, Loyal or Royal?**
16 A Yes, sir.
17 **Q Okay. That would have been the correct**
18 **time frame?**
19 A Yes, sir. From -- they're all running
20 right together now, because I'm trying to remember.
21 **Q Did clients ever ask you what the purpose**
22 **of paying for three to six months and then stop**
23 **paying was?**
24 A Not really.
25 **Q No one ever found that strange in your**

36 (Pages 141 to 144)

1 **experience?**
 2 A I mean, they would -- I would tell them to
 3 continue to make just their minimum payment. And if
 4 a client would say, well, why only for three to six
 5 months, is it three months, is it six months, and I
 6 would explain to them I'm just -- you're to make it
 7 between three to six months, and then your
 8 consultant will get ahold of you, who will take you
 9 on to that next process.
 10 **Q But you had no understanding of why you**
 11 **were asking people to do that?**
 12 A I truthfully believe just because the
 13 people were lazy and they didn't want to get on it
 14 right away, so they told me three to six months.
 15 **Q And so when you say people are lazy,**
 16 **you're referring to the DE fulfillment people at**
 17 **your company?**
 18 A Yes.
 19 **Q Okay. What do you know about the**
 20 **Telemarketing Sales Rule?**
 21 A What do you mean, sir?
 22 **Q Have you ever heard of the Telemarketing**
 23 **Sales Rule?**
 24 A No.
 25 **Q You told people that after three to six**

1 A I'm not really positive on that. I do
 2 know I heard it being said that they would default.
 3 **Q By whom?**
 4 A Just the fulfillment reps when they were
 5 talking.
 6 **Q So you understood from the fulfillment**
 7 **people that consumers were going to be defaulting on**
 8 **their credit cards?**
 9 A Yes.
 10 **Q Okay. Did you tell them that, the**
 11 **consumers?**
 12 A No.
 13 **Q Did you tell consumers that failing to**
 14 **make timely payments to creditors would likely**
 15 **adversely affect their creditworthiness?**
 16 A No.
 17 **Q Did you tell consumers that not paying**
 18 **their creditors in a timely manner might result in**
 19 **the consumer being subject to collections or sued?**
 20 A No.
 21 **Q Did you tell consumers that not making**
 22 **timely payments to their creditors might increase**
 23 **the amount of money the consumer would owe due to**
 24 **the accrual of fees and interest?**
 25 A No.

1 **months of making the minimum payments, they were**
 2 **going to stop paying their credit card bills, right?**
 3 A I never physically told them to stop
 4 making their payments. I told them that their
 5 consultant would then take them on to the next step.
 6 **Q Okay. That's really your testimony, you**
 7 **never told the consumer to stop paying after three**
 8 **months or six months?**
 9 A I told them to make their minimum payment
 10 for the first three to six months and the consultant
 11 will take them on to that next process. After three
 12 to six months, I never physically told somebody to
 13 stop making their credit card payments.
 14 **Q All right. If I told you that we had**
 15 **declarations from consumers who would say that you**
 16 **did tell them to stop paying, would that surprise**
 17 **you?**
 18 A People could say things, but I know I
 19 never physically told somebody to stop paying their
 20 credit cards. I told -- I would tell them that
 21 their consultant would take them on to the next
 22 step, the next process.
 23 **Q Did you understand that, as part of the**
 24 **process, people were going to be defaulting on their**
 25 **credit card bills?**

1 **Q Do you understand the -- do you understand**
 2 **the tax implications of having a creditor write off**
 3 **some or all of a consumer's debt?**
 4 A I do not understand that. I understand
 5 that -- from what I had heard, a couple clients,
 6 they received a 1099-C. I know of one client who
 7 did, and we issued out the portion of the 1099-C.
 8 Because I talked to the client, and that
 9 was what I was told was happening so that he could
 10 pay the taxes on it.
 11 **Q And that happened once, as far as you**
 12 **know?**
 13 A Yes. I know that because I physically
 14 personally talked to the client.
 15 **Q What client was that?**
 16 A I do not know their name.
 17 **Q How recently was it?**
 18 A Maybe January-February, if I'm not
 19 mistaken, time frame.
 20 **Q Of this year?**
 21 A Yes.
 22 **Q Was it James Pompati?**
 23 A I'm not sure.
 24 **Q Do you know who James Pompati is?**
 25 A I know the name, yes.

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1 Q Okay. Do you know who Laura Pompati was?
 2 A Laura Pompati?
 3 Q Yes. Who is she?
 4 A She was a client that I enrolled into debt
 5 elimination.
 6 Q What's her relationship to James?
 7 A It's her -- it was his wife.
 8 Q She passed away?
 9 A Yes.
 10 Q Of what?
 11 A I don't know, but I do know that she
 12 passed away.
 13 Q Okay.
 14 A He personally told me that when he called
 15 in one time and they transferred it to me, and I had
 16 to transfer it back to the debt elimination room.
 17 Q Did you know she was sick when you were
 18 pitching her?
 19 A No.
 20 Q So would you tell other consumers that,
 21 you know, I'm hearing from people I've dealt with in
 22 the past that they're getting these 1099s from their
 23 creditors after they default and a portion of their
 24 debt is written off?
 25 A No, I did not.

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1 Q Okay. How many DE deals did you close?
 2 A I have no clue.
 3 Q More than a hundred?
 4 A Yes.
 5 Q More than a thousand?
 6 A I don't know.
 7 Q Would it be closer to a thousand than a
 8 hundred?
 9 A Yes.
 10 Q If I said it might be multiple thousands,
 11 would you dispute that?
 12 A I couldn't dispute anything unless I knew
 13 for real. But I don't know the number.
 14 Q How long would you -- you said you kept a
 15 clipboard and a binder by your desk with all the
 16 deals you closed?
 17 A It was at my desk, yes.
 18 Q And how long would you keep that
 19 information? Just until you got paid, or did you
 20 keep it going --
 21 A For a year.
 22 Q For a year?
 23 A In case the client called in, I would be
 24 able to refer back to it or anything like that.
 25 Q Okay. So when we went into your desk on

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1 June 9th, we should have been able to find a
 2 clipboard or binder at your desk with the previous
 3 years worth of DE clients?
 4 A It would have been for the last about
 5 seven months, because -- six months, because you
 6 came in in June. I would get rid of it at the
 7 beginning of the year.
 8 Q Of the calendar year?
 9 A Yes.
 10 Q Okay.
 11 A And there was a -- it was a binder. It
 12 had a picture of Buzz Lightyear on it, was my
 13 binder, and then my clipboard was there. The
 14 clipboard, it had the list of that week of the
 15 client's I spoke to and -- if they enrolled.
 16 Q Do you know what the Consumer Protection
 17 Act is?
 18 A I know it's there to protect the clients
 19 against any loss, theft, fraud or any unauthorized
 20 user services not rendered.
 21 Q Okay. Who told you that?
 22 A It's just something that I learned years
 23 ago as one of the rebuttals to make the client feel
 24 comfortable.
 25 Q Does the Consumer Protection Act apply to

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1 credit card transactions?
 2 A From what I believe, yes.
 3 Q To credit card transactions only?
 4 A No.
 5 Q So you believe that the Consumer
 6 Protection Act applies when you do a direct deposit
 7 from a consumer's credit card to the consumer's bank
 8 account, and then do an ACH withdrawal from the
 9 consumer's bank account?
 10 A From what you're explaining, I would say
 11 yes. I would believe that.
 12 Q Based on what?
 13 A I don't know. Just --
 14 Q I sounded good saying it?
 15 A Possibly. But, no, it's because I believe
 16 there's things out there to protect people. I
 17 believe if there's something fraudulent, it should
 18 be there to protect somebody.
 19 Q Okay. And you don't remember where you
 20 picked that up?
 21 A Like I told you, it was a rebuttal years
 22 ago when I first started being a qualifier.
 23 Q Okay. And in the beginning of your career
 24 up through about 2010, the companies you worked for
 25 were billing consumers' credit cards to charge those

1 fees?
 2 A Correct.
 3 Q They weren't doing this balance transfer
 4 or cash advance or direct deposit into the
 5 consumer's checking account and then doing an ACH?
 6 A Correct.
 7 Q Okay. What did you tell consumers about
 8 why you were having them use this sort of convoluted
 9 method of paying you, rather than just billing their
 10 credit card?
 11 A I really never said anything on the
 12 reason.
 13 Q No one ever asked you?
 14 A No. I did the upsale program. They've
 15 already sent in their original enrollment fee.
 16 Q Right. But you charged them an additional
 17 fee, right?
 18 A Yes. That's why I'm saying, is I never --
 19 the way that their fee was rendered, I believe, is
 20 the same way. So when it came to me at the fee --
 21 debt elimination side, there was no questions like
 22 that, of why are you doing it this way when you
 23 could do it this way. That was never asked of me.
 24 Q And you were billing them as soon as you
 25 talked to them, right, for DE?

1 A Correct.
 2 Q You weren't billing them at the end of the
 3 debt elimination process?
 4 A Correct.
 5 Q You didn't wait for them to even finish
 6 the three-to-six month period?
 7 A Correct.
 8 Q Okay. Did you understand that that was
 9 allowed?
 10 A What do you mean, sir?
 11 Q To bill a consumer for the debt
 12 elimination services at the end of your pitch.
 13 A I believe -- I believed it was allowed,
 14 yes, sir.
 15 Q Who told you that?
 16 A Nobody told me. It was just an assumption
 17 that I made.
 18 Q So that the companies that you worked for,
 19 they never did any training for employees on here's
 20 what the Telemarketing Sales Rule says, here's what
 21 you're allowed to do and not allowed to do?
 22 A No, sir.
 23 Q Okay. And they didn't do any training on
 24 here's this thing called the FTCA -- or the FTC Act,
 25 here's what it says, here's what you're allowed to

1 do, here's what you're not allowed to do?
 2 A No, sir.
 3 Q Or how about the Florida Deceptive and
 4 Unfair Trade Practices Act, did you have any
 5 training --
 6 A I never even heard of that.
 7 Q Okay. Did you read the complaint in this
 8 case?
 9 A No.
 10 Q Okay. Just the TRO?
 11 A Yes.
 12 Q Okay. Have you ever spoken with Andy
 13 Cove?
 14 A In what aspect?
 15 Q In any.
 16 A Yes.
 17 Q When?
 18 A He was in the office before.
 19 Q When?
 20 A I don't know. I don't know the exact
 21 date.
 22 Q At Science Drive?
 23 A Yes.
 24 Q Okay. Just on one occasion?
 25 A Well, there's two occasions that he was

1 there, and I had spoken to him.
 2 Q Okay. What was your understanding of who
 3 he was representing when he was in the office.
 4 A I believe -- from my knowledge, he was the
 5 company's attorney.
 6 Q Okay. Do you know why you were one of the
 7 people that had to speak with him?
 8 A No.
 9 Q How about Amy Talisman, who's on the phone
 10 here, have you ever met Ms. Talisman?
 11 A No.
 12 Q Have you ever spoken with her?
 13 A No.
 14 Q How about Tiffany Eaton, have you ever
 15 spoken with --
 16 A Never even heard that name.
 17 Q Okay. Aside from the times that Mr. Cove
 18 was in the office at Science Drive, have you ever
 19 spoken with them?
 20 A No.
 21 BY MR. BERNET:
 22 Q What did you speak to Mr. Cove about?
 23 A He was in the office, and I don't even
 24 remember what it was about. I believe it was -- I
 25 don't remember what it was, but I believe he was in

1 BY MR. DOAN:

2 **Q You told them there was a statutory basis**
3 **that would allow you to do the debt elimination**
4 **process?**

5 A What was that, sir?

6 **Q A statutory basis.**

7 A I never said there was a statutory basis.
8 That's not what came out of my mouth.

9 **Q Okay, you didn't use that exact language.**
10 **You told them that there was a federal law that**
11 **would allow you to discharge the debt, right?**

12 A I never said there was a federal law.

13 **Q What kind of law did you say there was?**

14 A I never said there was a law.

15 **Q You never said there was a law?**

16 A No.

17 **Q Did you refer to a lawsuit?**

18 A I said that, throughout the last 10 to 15
19 years, credit card companies had been fined money.
20 And we utilized --

21 **Q I'm sorry, could you stop at that. Had**
22 **been what? Had been fined?**

23 A Yes.

24 **Q Okay. So you told consumers that**
25 **throughout the last 10 to 15 years, credit card**

1 **with the services that your companies were going to**
2 **be providing these consumers?**

3 A In my opinion, I don't think it really
4 did. I just utilized that. I never said that we
5 used money from -- that -- to pay anything off or
6 anything like that. I said that credit card
7 companies had been fined.

8 **Q Right.**

9 A Which it's true. The banks have been
10 fined and things like for unlawful practices and
11 things like that.

12 **Q And yet you admit that has nothing**
13 **whatsoever to do with the services that your**
14 **companies were going to be providing consumers,**
15 **right?**

16 A Yes, sir.

17 **Q Okay.**

18 BY MR. BERNET:

19 **Q Did you say that because you wanted folks**
20 **to think that there was a fund of money that was**
21 **created by these fines that were going to be used to**
22 **help pay off their debts or help them eliminate some**
23 **of their debt?**

24 A No, sir.

25 **Q Well, you could have just as easily told**

1 **companies have been fined money.**

2 **Okay, sorry to interrupt. Go ahead.**

3 A And what we have is we have a team staff
4 of coordinators who utilize the laws and regulations
5 to be able to have a portion of your debt legally
6 discharged.

7 **Q Okay. So you did refer to laws and**
8 **regulations?**

9 A Yeah. Yes. I never used a certain law or
10 anything like that, yes, sir.

11 **Q Okay. So how did --**

12 A Sorry. I'm sorry.

13 **Q It's okay. It's okay.**

14 **How did -- and maybe I'm getting a little**
15 **excited. How did that work, the laws and**
16 **regulations? How did they allow you to discharge**
17 **consumers --**

18 A I don't know. I didn't do the
19 fulfillment, sir.

20 **Q Okay.**

21 A Like I said, this letter here that I'm
22 reading, I don't know anything about that. So I
23 didn't ever do the fulfillment aspect.

24 **Q And what did the fines against credit card**
25 **companies over the last 10 to 15 years have to do**

1 **them that the sun rises in the east and sets in the**
2 **west. That has just as much to do with what you**
3 **were pitching as does the fact of, if it is, in**
4 **fact, true, the fact of these supposed fines, right?**

5 A Yes, sir.

6 **Q Okay. Do you see how consumers might**
7 **think, when you tell them that you're going to use**
8 **the laws and regulations and that, by the way,**
9 **credit card companies have been fined, and that with**
10 **all of this, our experts are going to reduce your**
11 **credit card debt by a hundred percent -- oh, no,**
12 **wait, 70 to a hundred percent, oh, no wait, 40 to**
13 **80 percent, can you see how consumers might be**
14 **mislead by that?**

15 A Yes, sir.

16 **Q And you came up with this pitch all by**
17 **yourself, right?**

18 A No.

19 **Q Well, you got some help from whom?**

20 A As I said, Heather.

21 **Q Heather. But you didn't -- but there was**
22 **no script?**

23 A Correct.

24 MR. DOAN: All right, let's take a
25 five-minute break, shall we?

1 MR. BERNET: All right.
 2 (Recess taken.)
 3 BY MR. SRIMUSHNAM:
 4 Q Ms. Brownell, are you aware that there
 5 were several records, financial records, kept by the
 6 company?
 7 A What do you mean by that, sir?
 8 Q Financial records that track who paid what
 9 for debt elimination services. Are you aware of
 10 that?
 11 A Yes.
 12 Q Are you aware that --
 13 A Are you talking about what they paid for
 14 the service?
 15 Q Yes.
 16 A Yes, sir.
 17 Q Did you know that since 2013, more than
 18 2500 people have paid your company close to
 19 \$12 billion for debt elimination services?
 20 A No, I didn't know that, sir.
 21 Q 2500 people.
 22 Do you know who Patricia H [REDACTED] is?
 23 A No.
 24 Q Patricia H [REDACTED] is someone who paid your
 25 company \$1700 in February of 2014. You were the

1 Q These people were promised a service that
 2 was not capable of being completed; isn't that
 3 right?
 4 A I didn't know it wasn't capable of being
 5 completed, sir. What I explained I thought was
 6 true.
 7 BY MR. BERNET:
 8 Q How much money did Kevin Guice get out of
 9 this, as far as you know?
 10 A I don't know, sir.
 11 Q What was his cut or arrangement, do you
 12 know?
 13 A I don't know, sir.
 14 Q But it was his company? He was running
 15 the show, right?
 16 A I don't know, sir.
 17 BY MS. BEAMER:
 18 Q Did he ever take you to Vegas?
 19 A No.
 20 Q Did he ever take you on any of his --
 21 A I've never been to Vegas a day in my life.
 22 Q Did you know that Kevin Guice traveled
 23 really well?
 24 A I've heard.
 25 Q Did he ever take you on those trips?

1 closer on that?
 2 A Probably.
 3 Q Do you know Ms. H [REDACTED] called people
 4 from your company in 2015 claiming that she was
 5 suicidal as a result of the increased debt and the
 6 affect on her credit?
 7 A No.
 8 Q Do you know who Barbara R [REDACTED] is?
 9 A No.
 10 Q How about Esther O [REDACTED] ?
 11 A No.
 12 Q Cherise W [REDACTED] ?
 13 A No.
 14 Q Bradford D [REDACTED] ?
 15 A No.
 16 Q Sharlee A [REDACTED] ?
 17 A No.
 18 Q Mary M [REDACTED] ?
 19 A No.
 20 Q These are all the people that have signed
 21 up for debt elimination services on February 5th,
 22 2014, one day, all closed by you, including
 23 Ms. H [REDACTED], who a year later called your company
 24 claiming that she was suicidal.
 25 A I didn't know that, sir.

1 A No. I've been to the Keys, that was it.
 2 Q With Kevin Guice?
 3 A Yes.
 4 Q When was that?
 5 A It was for my birthday a few years ago.
 6 Q So other than the Keys and your birthday,
 7 did Kevin take you anywhere else?
 8 A We went to a couple Orlando, like, rock
 9 concerts.
 10 BY MR. DOAN:
 11 Q Who paid for the birthday party in the
 12 photo that we were reviewing before?
 13 A I really don't know.
 14 Q You don't know?
 15 A No.
 16 Q Was Kevin the type of guy who would pick
 17 up the check at functions like this, where all ...
 18 A Yes, a lot of us.
 19 BY MR. BERNET:
 20 Q Did you ever receive any gifts from Kevin
 21 or Shannon?
 22 A I received a hoodie for Christmas one
 23 year.
 24 Q How about a watch?
 25 A No. I don't wear.

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1 BY MR. SRIMUSHNAM:
 2 **Q How about a hundred thousand dollars a**
 3 **year in salary and commissions for selling a product**
 4 **that resulted in people calling a year after they**
 5 **purchased talking about committing suicide?**
 6 A I didn't know that happened, sir.
 7 BY MR. DOAN:
 8 **Q You knew you were getting six figures to**
 9 **sell the DE product?**
 10 A Yes, I know that. I was talking about the
 11 calling in with suicidal thoughts.
 12 BY MR. DOAN:
 13 **Q You were the highest paid closer at the**
 14 **company?**
 15 A Well, my commission was lower than --
 16 like, the LI closers.
 17 **Q But in terms of what you were taking home**
 18 **in a given year?**
 19 A Yes, sir.
 20 **Q Okay. You never heard of anybody who**
 21 **out-earned you at Loyal Financial or Life Management**
 22 **Services?**
 23 A I don't know. I didn't talk about my
 24 paychecks, and neither did anybody else.
 25 **Q Did you ever hear of anybody else who was**

1 CERTIFICATE OF REPORTER
 2
 3 CASE NO.: 6:16-CV-982-ORL-41TBS
 4 CASE TITLE: FTC v. LIFE MANAGEMENT SERVICES OF
 5 ORANGE COUNTY, LLC., ET AL.
 6
 7 I HEREBY CERTIFY that the transcript
 8 contained herein is a full and accurate transcript
 9 of the steno notes transcribed by me on the above
 10 cause before the FEDERAL TRADE COMMISSION to the
 11 best of my knowledge and belief.
 12
 13 DATED: OCTOBER 26, 2016
 14
 15 _____
 16 LORRAINE YERDONEK
 17
 18
 19
 20
 21
 22
 23
 24
 25

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1 **making six figures?**
 2 A It's not something that we discussed.
 3 MS. BEAMER: Any other questions?
 4 I think that completes some of the
 5 questions -- the questions that we have for you
 6 today.
 7 You have an option of either reading or
 8 waiving. That basically means that you can
 9 read over the entire transcript, make any
 10 corrections you deem fit, or you can waive that
 11 right. Meaning you don't have to.
 12 Do you know what you would like to do?
 13 THE WITNESS: Well, she's been typing,
 14 every time she had a question, she would ask
 15 it. I'm fine with waiving it.
 16 MR. BERNET: Mr. Hill, Ms. Talisman, any
 17 questions?
 18 MS. TALISMAN: No questions.
 19 MR. HILL: No, thank you.
 20 MS. BEAMER: Okay. Then we'll go off the
 21 record.
 22 (Whereupon, at 1:21 p.m., the deposition concluded.)
 23 (Reading and signing were waived.)
 24
 25