

**Excerpts From Kara Andrews
Deposition Transcript
February 24, 2017**

From Article at GetOutofDebt.org

In the Matter of:

FTC v. Life Management Services, et al.

February 24, 2017

Kara Andrews

Condensed Transcript with Word Index



For The Record, Inc.

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1	<p>1 UNITED STATES DISTRICT COURT 2 FOR THE MIDDLE DISTRICT OF FLORIDA 3 ORLANDO DIVISION 4 CASE NO.: 6:16-CV-982-ORL-41TB</p> <p>5 FEDERAL TRADE COMMISSION, and 6 OFFICE OF THE ATTORNEY GENERAL, 7 STATE OF FLORIDA, 8 DEPARTMENT OF LEGAL AFFAIRS, 9 Plaintiffs,</p> <p>10 vs.</p> <p>11 LIFE MANAGEMENT SERVICES OF ORANGE 12 COUNTY, LLC, a Florida limited 13 liability company,</p> <p>14 LOYAL FINANCIAL & CREDIT SERVICES, 15 LLC, a Florida limited liability 16 company, also d/b/a FOC Credit 17 and Reward Services,</p> <p>18 IVD RECOVERY, LLC, a Florida 19 limited liability company,</p> <p>20 KWP SERVICES, LLC, a Florida 21 limited liability company,</p> <p>22 KWP SERVICES OF FLORIDA, LLC, 23 a Florida limited liability company,</p> <p>24 LPSOFFLA, LLC, a Florida limited 25 liability company,</p> <p>26 PW&F CONSULTANTS OF FLORIDA, LLC, a 27 Florida limited liability company,</p>	3
2	<p>1 UAD SECURE SERVICES, LLC, a 2 Florida limited liability company,</p> <p>3 UAD SECURE SERVICES OF FLORIDA, LLC, 4 a Florida limited liability company,</p> <p>5 URB MANAGEMENT, LLC, a Florida 6 limited liability company,</p> <p>7 YCC SOLUTIONS, LLC, a Florida 8 limited liability company,</p> <p>9 YFP SOLUTIONS, LLC, a Florida 10 limited liability company, and</p> <p>11 KEVIN W. GUICE, individually and 12 as an officer of LOYAL FINANCIAL 13 & CREDIT SERVICES, LLC, 14 CHASE P. JACKOWSKI, individually 15 and as an officer of LPSOFFLA, LLC, 16 LPSOFFLORIDA LLC, and YFP SOLUTIONS, 17 LLC,</p> <p>18 LINDA N. MCNEALY, individually 19 and as an officer of LOYAL 20 FINANCIAL & CREDIT SERVICES, LLC, 21 CLARENCE H. WAHL, a/k/a Harry C. 22 Wahl, individually and as an 23 officer of KWP SERVICES OF FLORIDA, 24 LLC, and LIFE MANAGEMENT SERVICES OF 25 ORANGE COUNTY, LLC, 26 KAREN M. WAHL, individually and as 27 an officer of KWP SERVICES, LLC,</p> <p>28 Defendants, and</p>	4
	<p>1 ROBERT GUICE, individually, 2 TIMOTHY WOOD, individually, 3 Relief Defendants.</p> <hr/> <p>4 5 6 7 8</p> <p>9 DEPOSITION OF KARA ANDREWS 10 Pages 1 through 216</p> <p>11 12 13 14 Friday, February 24, 2017 15 9:25 a.m. - 3:00 p.m. 16 Akerman, LLP 17 420 South Orange Avenue 18 Suite 1200 19 Orlando, Florida 32801</p> <p>20 21 22 23 Stenographically Reported By: 24 RICHARD CASTILLO 25 Certified LiveNote Reporter Notary Public, State of Florida</p>	

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12 -----

13 NOTE 1: Ellipses (...) used to reflect pauses
between words.

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15 NOTE 2: "(Nods)" can mean either yes or no.

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1 Deposition taken before Richard Castillo,
2 Certified LiveNote Reporter and Notary Public,
3 in and for the State of Florida at Large, in the
4 above cause.

5 -----

6 THE COURT REPORTER: Please raise your
7 right hand to be sworn.

8 Do you swear to tell the truth, the whole
9 truth, and nothing but the truth, so help you
10 God?

11 WITNESS: Yes.

12 THEREUPON,

13 KARA ANDREWS

14 having been first duly sworn, was examined and
15 testified as follows:

16 DIRECT EXAMINATION

17 BY MISS BEAMER:

18 **Q Good morning. My name is Denise Beamer.**
19 **I work for the Florida Attorney General's Office.**
20 **To my left is Josh Doan; he is an attorney for the**
21 **Federal Trade Commission. To his left is Jennifer**
22 **Knutton who works for the Florida Attorney General's**
23 **Office. To her left is Tejasvi Srimushnam who works**
24 **for the Federal Trade Commission, then you have Anna**
25 **Caplan with the Florida Attorney General's Office.**

6

1 PLAINTIFFS' EXHIBITS

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1 **And at the end you have Mark Bernet, the court**
2 **appointed federal receiver in this case.**

3 **And then -- do you want to state your**
4 **name for the record?**

5 **(Pause.)**

6 MR. LIEBERT: Matt Liebert who represents
7 the relief defendants and defendant, Kevin
8 Guice.

9 MR. SOMMERVILLE: Thomas D. Sommerville on
10 behalf of Miss Andrews.

11 **Q (By Miss Beamer) So, Miss Andrews, have**
12 **you ever been in a deposition before?**

13 A No.

14 **Q All right. Have you ever testified in**
15 **trial?**

16 A No.

17 **Q All right. So there are just a couple of**
18 **ground rules that I want to go over with you. One**
19 **we spoke about was off the record, and that's in**
20 **regards to interrupting each other. So the court**
21 **reporter is taking everything down, so just wait for**
22 **me to finish the question and then you can answer,**
23 **and I will do the same for you.**

24 A Okay.

25 **Q And if you don't understand a question,**

9

1 just ask me to clarify and I can do that for you.
 2 A Okay.
 3 Q If you don't ask me to clarify, I'll
 4 assume you understand the question, okay?
 5 A Yes, ma'am.
 6 Q So we'll start with, can you state your
 7 full name for the record?
 8 A Kara Lynn Andrews.
 9 Q Miss Andrews, are you married?
 10 A Yes.
 11 Q And who are you married to?
 12 A Larry Waldron.
 13 Q Have you changed your name --
 14 A No.
 15 Q -- to Kara Waldron?
 16 A No.
 17 Q And so people know you as Kara Andrews?
 18 A Correct.
 19 Q Okay. Miss Andrews, what's your address?
 20 A [REDACTED], Christmas, Florida,
 21 [REDACTED]
 22 Q And how long have you lived at the
 23 Christmas address?
 24 A About a year. Maybe a little over a year.
 25 Q And what's your phone number?

10

15 [REDACTED]
 16 [REDACTED]
 17 [REDACTED]
 18 [REDACTED]
 19 [REDACTED]
 20 [REDACTED]
 21 [REDACTED]
 22 [REDACTED]
 23 [REDACTED]
 24 [REDACTED]
 25 [REDACTED]

15 Q And prior to July of 2016, where did you
 16 work?
 17 A Life Management.
 18 Q And what was your position at Life
 19 Management?
 20 A I was a manager.
 21 Q Were you the only manager?
 22 A No.
 23 Q Who were the other managers?
 24 A Linda Parker and John Kunz.
 25 Q And Linda Parker is also known as Linda --

11

1 Linda Parker is also Linda McNeely who is also
 2 Nikki?
 3 A Correct.
 4 Q And how do you refer to her as?
 5 A Nikki.
 6 Q Okay. So it is okay if we refer to Linda
 7 McNeely as Nikki for the rest of the deposition?
 8 A Yes.
 9 Q So you said that Nikki was a manager, and
 10 who was the other manager?
 11 A John Kunz.
 12 Q And that's K-U-N-Z?
 13 A Correct.
 14 Q And who was -- who had authority over the
 15 managers?
 16 A It was Kevin and Wayne.
 17 Q Now, tell me the difference between Kevin
 18 and Wayne to your understanding.
 19 A I'm not really sure, honestly.
 20 Q Who was the ultimate boss?
 21 A I mean, I took orders from both of them.
 22 If I couldn't get a hold of one, I contacted the
 23 other.
 24 Q So let's put that into some sort of
 25 timeline. When you talk about Life Management

12

1 Services, which location are you referring -- where
 2 was -- where were you employed under Life
 3 Management?
 4 A The Science Drive.
 5 Q What's the full address, do you know?
 6 A I believe it's 12001 Science Drive, Suite
 7 125, I believe, Orlando, Florida, 328 -- I believe
 8 it's 25.
 9 Q There were -- there was another suite as
 10 well, correct?
 11 A Yes.
 12 Q And that was Suite 180?
 13 A I believe, yes.
 14 Q And that was in the back of the building?
 15 A Correct.
 16 Q And that's where the employees came in?
 17 A Correct.
 18 Q And how long were you at the Science Drive
 19 location?
 20 A I believe it was two years.
 21 Q Do you know approximately when you moved
 22 to the Science Drive location?
 23 A I don't remember the date, no.
 24 Q Okay. Spring 2014?
 25 A I'm not sure.

1 A No.
 2 Q Do you know what the Fair Credit Reporting
 3 Act is?
 4 A Not to my knowledge.
 5 Q What's the Consumer Protection Act?
 6 A Not sure.
 7 Q You heard Ms. Diess speaking with an
 8 undercover FTC investigator about the Consumer
 9 Protection Act, correct?
 10 A Correct.
 11 Q And that's something that other
 12 telemarketers at Life Management Services and Loyal
 13 would talk about with consumers, right?
 14 A I guess.
 15 Q Okay. Was there ever any training
 16 provided about the Consumer Protection Act while you
 17 were at the company?
 18 A I'm not sure.
 19 (Pause.)
 20 Q Did you tell Mr. Liebert that the company
 21 paid judgments that were entered against clients who
 22 were enrolled in the debt elimination program?
 23 A Yes.
 24 Q Did that happen in all instances?
 25 A In all instances?

1 Q In which a judgment was obtained against
 2 one of the company's clients?
 3 A Yes.
 4 (Discussion held off the record.)
 5 Q (By Mr. Doan) Do you recall any specific
 6 clients for which the company paid a judgment?
 7 A Not right off the top of my head.
 8 Q Which clients got a refund from the
 9 company because Lea Brownell had told them about a
 10 government fund that would be used to pay off their
 11 debts?
 12 A They shouldn't have been saying anything
 13 about a government fund, so --
 14 Q Okay. That's not my question, though.
 15 My question is, which consumers got
 16 refunds because Lea Brownell told them that a
 17 government fund would be used to pay off their
 18 debts?
 19 A I don't know --
 20 MR. LIEBERT: Objection. Calls for an
 21 assumption and knowledge -- information outside
 22 of her knowledge.
 23 Q (By Mr. Doan) Go ahead.
 24 A I don't know.
 25 Q Okay.

1 (Pause.)
 2 Q How frequently would you monitor Lea
 3 Brownell's calls with consumers?
 4 A Maybe every once in a while.
 5 Q Can you be a little more specific?
 6 A It wasn't a continuous thing.
 7 Q Okay. Weekly? Monthly?
 8 A Maybe every few months.
 9 Q So you don't really know what she was
 10 telling consumers on a day-to-day basis --
 11 A No.
 12 Q -- is that fair to say?
 13 A Correct.
 14 Q And part of the problem with that was that
 15 there was no script that she was reading from,
 16 right?
 17 A I don't know if there was or not.
 18 Q But you're not aware, I think we discussed
 19 before, of any script that the company filed with
 20 the State of Florida in connection with the debt
 21 elimination services that it sold, correct?
 22 A Correct.
 23 Q The Ponpatis were promised 100 percent of
 24 their debt would be eliminated, right?
 25 A I don't know.

1 Q So if Lea Brownell told us that -- strike
 2 that.
 3 The Ponpatis enrolled in the debt
 4 elimination program in February of 2014?
 5 A I don't know their enrollment date.
 6 Q Okay. You don't have any reason to
 7 dispute -- I'll represent to you that they enrolled
 8 at the end of February of 2014.
 9 Do you have any reason to dispute
 10 that?
 11 A No.
 12 Q Okay. Lea Brownell -- strike that.
 13 The company at that time, end of
 14 February 2014, was still Loyal Financial, right?
 15 A I believe so.
 16 Q And you were still on Lake Underhill as
 17 far as you can recall?
 18 A Yes.
 19 Q And so if Lea Brownell told us that ...
 20 the company promised 100 percent elimination until
 21 it moved to Science Drive, and the Ponpatis enrolled
 22 at the end of February of 2014, would you have any
 23 reason to dispute that they were promised
 24 100 percent elimination?
 25 A I don't believe that that's accurate.

209

1 **Q Why don't you believe that that's**
 2 **accurate?**
 3 A I just -- I know that we started DE in
 4 2013, and we only worked with Thacker for a few
 5 months. And at that point was the only time we were
 6 saying anything about 100 percent elimination.
 7 **Q So if Lea told us that it was -- that the**
 8 **guarantee was 100 percent until the company moved to**
 9 **Science Drive, that's incorrect in your view?**
 10 A I believe so.
 11 **Q Okay.**
 12 (Pause.)
 13 **Q Are there any documents that you might**
 14 **have or might have had that would show that that was**
 15 **not the case?**
 16 A Possibly. I don't -- I don't remember if
 17 we -- or how we specifically documented that.
 18 **Q Did you ever give Lea a script with the**
 19 **percentage that she should be telling consumers**
 20 **would be eliminated as part of the company's debt**
 21 **elimination program?**
 22 A I know I didn't specifically.
 23 **Q Did you ever see anyone else give her one?**
 24 A Not that I'm aware of.
 25 **Q Lea brought in a lot of money for the**

210

1 **company, correct?**
 2 A Yes.
 3 **Q There were approximately ... 2,500 debt**
 4 **elimination consumers, customers?**
 5 A Okay.
 6 **Q Do you have any reason to dispute that**
 7 **figure?**
 8 A No.
 9 **Q And I should say it's a ballpark.**
 10 **Do you have any reason to dispute**
 11 **that ballpark?**
 12 A No.
 13 **Q Do you have any reason to dispute that the**
 14 **company had approximately 7,500 lower interest**
 15 **customers between January 1st, 2013 and when it was**
 16 **shut down?**
 17 A No.
 18 **Q So how many of the 2,500 debt elimination**
 19 **customers had their debt eliminated 100 percent?**
 20 A I'm not sure. I don't know an exact
 21 number. I mean, that's a lot of clients to kind of,
 22 you know, keep --
 23 **Q We can agree to that, Miss Andrews.**
 24 **Can you give me a ballpark on what**
 25 **percentage of the 2,500 would have gotten**

211

1 **100 percent elimination?**
 2 A I mean, honestly, I don't know. Like I
 3 said -- excuse me -- the papers that I filled out
 4 were more of an account-to-account basis. I know
 5 there were a lot of those. I mean -- but there were
 6 quite a few clients that we got 100 percent
 7 elimination.
 8 **Q And are you counting in those 100 percent**
 9 **eliminations, situations where, for example, Chase**
 10 **discharged a consumer's credit card debt?**
 11 A Yes.
 12 **Q Okay. So, as I think we discussed before,**
 13 **they might have ended up owing the IRS even if they**
 14 **didn't owe Chase, correct?**
 15 A Correct.
 16 **Q Did the company ever kick in any funds for**
 17 **consumers who had to pay the IRS after participating**
 18 **in the debt elimination program?**
 19 A Yes.
 20 **Q For who?**
 21 A I don't remember the clients' names, but I
 22 remember there were checks sent out.
 23 **Q To pay somebody's tax liability?**
 24 A Correct.
 25 **Q How many times did that happen?**

212

1 A A few. Maybe more than that.
 2 **Q Less than ten?**
 3 (Pause.)
 4 A I'm not really sure. I mean, I know there
 5 were a lot of discharges, but I don't know how many
 6 actually we paid as far as the taxes because we were
 7 sending out a lot of payments.
 8 **Q And you're sending payments out on behalf**
 9 **of consumers who had paid the fees to Life**
 10 **Management Services, correct?**
 11 A Correct.
 12 **Q Or Loyal Financial?**
 13 A Correct.
 14 **Q What was the range of fees that consumers**
 15 **paid for debt elimination services?**
 16 A I'm not sure. It was, I mean, dependent,
 17 I guess, on -- I'm assuming on their debt -- I mean,
 18 on a debt they had.
 19 **Q Would Lea decide what the fee would be?**
 20 A I'm not sure how they calculated that.
 21 **Q Lea gave us a range, I think, from 2,000**
 22 **to \$26,000 for fees for debt elimination.**
 23 **Do you have any reason to dispute**
 24 **that range?**
 25 A No.

213

1 Q Do you have any reason to dispute that the
 2 lower interest customers paid between 500 and \$5,000
 3 for the company's services?
 4 A No.
 5 Q Do you have any reason to dispute that the
 6 company would have taken in ... \$23 million in fees
 7 between January 1st, 2013, and when Mr. Bernet took
 8 the companies over?
 9 A I have no idea.
 10 Q Okay. You have no reason to dispute that
 11 figure as you sit here today?
 12 A No. I didn't have anything to deal with
 13 the financials, so ...
 14 Q The negotiators -- I think we covered this
 15 before. The negotiators spoke with -- the
 16 negotiators spoke with clients after they paid their
 17 fee, correct, for debt elimination?
 18 A Correct.
 19 Q Okay. Sorry.
 20 MR. DOAN: I think that's all I have.
 21 Again, Miss Andrews, thanks again for coming in
 22 today.
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 24
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214

1 (Deposition concluded at 2:57 p.m.)
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1 CERTIFICATE OF OATH
 2
 3 STATE OF FLORIDA)
 4 COUNTY OF ORANGE)
 5
 6 I, Richard Castillo, Certified LiveNote
 7 Reporter, Notary Public, State of Florida, certify
 8 that KARA ANDREWS, personally appeared
 9 before me on February 24, 2017, and was duly sworn.
 10
 11 Signed this 1st day of March, 2017.
 12
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 RICHARD CASTILLO
 Certified LiveNote Reporter
 Notary Public, State of
 Florida at Large
 Commission No. FF171953
 Expiration: February 25, 2019

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1 CERTIFICATE OF REPORTER
 2 STATE OF FLORIDA)
 3 COUNTY OF ORANGE)
 4 I, RICHARD CASTILLO, Certified LiveNote
 5 Reporter and Notary Public, certify that I
 6 was authorized to and did stenographically report
 7 the deposition of KARA ANDREWS; pages 7 through 214;
 8 that a review of the transcript was not requested;
 9 and that the transcript is a true record of my
 10 stenographic notes.
 11 I FURTHER CERTIFY that I am not a relative,
 12 employee, or attorney, or counsel of any of the
 13 parties, nor am I a relative or employee of any of
 14 the parties' attorneys or counsel connected with the
 15 action, nor am I financially interested in the
 16 action.
 17 DATED this 1st day of March, 2017, at Orlando,
 18 Orange County, Florida.
 19
 20
 21
 22
 23
 24
 25

 RICHARD CASTILLO
 Certified LiveNote Reporter
 Notary Public, State of Florida at Large
 Commission No. FF171953
 Expiration: February 25, 2019