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9  
10 **IN THE UNITED STATES DISTRICT COURT**  
11 **FOR THE DISTRICT OF ARIZONA**

12 Federal Trade Commission,  
13 Plaintiff,  
14 v.  
15 James D. Noland, Jr., *et al.*,  
16 Defendants.

No. CV-20-0047-PHX-DWL

**PLAINTIFF FEDERAL TRADE  
COMMISSION'S MOTION FOR  
SUMMARY JUDGMENT AS TO  
LIABILITY**

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## INTRODUCTION

1  
2 For over two years prior to the Court’s Temporary Restraining Order, Defendants  
3 promised financial freedom to convince consumers to join, and continue sinking money  
4 into, two pyramid schemes. Beginning in July 2017, Defendants’ Success By Health  
5 (“SBH”) pyramid sold coffees, teas, and nutraceuticals. When that scheme started to  
6 collapse, Defendants, in October 2019, launched a VOZ Travel pyramid (also part of  
7 SBH) that promised to one day provide a travel-booking platform. In both pyramids,  
8 Defendants told members (called “affiliates”) that their success depended not on their  
9 ability to find, and sell products to, ultimate users, but instead on buying products and  
10 recruiting new affiliates to buy products from SBH. Consequently, affiliates entered an  
11 endless chain of recruitment, in which they could recoup their costs only by enrolling  
12 new affiliates. As in any pyramid scheme, the vast majority of affiliates must be, and  
13 were, losing money at any given time. Led by serial pyramid scheme promoter Jay  
14 Noland, the Individual Defendants took \$1.7 million for themselves while 6,957 affiliates  
15 earned \$2.4 million in rewards, despite spending over \$8.4 million on Defendants’  
16 products and training—not to mention thousands on expenses not paid to SBH. Because  
17 there is no genuine dispute regarding any material fact, each Defendant is liable as a  
18 matter of law for deceptively promoting the SBH and VOZ pyramid schemes and  
19 violating two FTC rules mandating that they offer or provide refunds in certain contexts.  
20

## STATEMENT OF FACTS

### **I. SBH’S DECEPTIVE SALES AND RECRUITING PRACTICES**

22 The Individual Defendants ran Success By Health (“SBH”), Success By Media,  
23 LLC, and Success By Media Holdings Inc. (Doc. 222 ¶ 5 (admitting Second Amended  
24 Complaint (Doc. 205; “SAC”) ¶¶ 10-13).) SBH sells coffee, tea, and nutraceuticals  
25 through a network of “affiliates.” Defendants lure consumers to enroll as affiliates with  
26 promises that if they work hard and follow “millionaire maker” Jay Noland’s  
27  
28

1 instructions, they can replace their job income in six months and become financially  
2 free—reaping a perpetual stream of million-dollar yearly payments—in just 18 months.  
3 Once enrolled, Defendants tell affiliates that achieving financial freedom requires  
4 recruiting new affiliates and purchasing excessive inventory, rather than selling SBH  
5 products to ultimate users.

6  
7 **A. Defendants Lure Consumers into SBH Promising Financial Freedom.**

8 Defendants tell consumers that there are three types of affiliates, those looking to:  
9 (1) supplement their income, (2) “replace [their] income (no more job),” and (3) obtain  
10 “financial freedom.” (Doc. 8-3 at 20.) The choice is “yours,” *id.*, but if you seek  
11 financial freedom and “pay close attention,” you are “going to be able to get out of that  
12 job in about six months” and attain financial freedom in 18 months. (Doc. 8-27 at 17  
13 (9:5-9), 57 (41:2-9).) It is undisputed that Defendants told recruits (falsely) “several  
14 people” are “achieving Financial Freedom already with our company.” (Doc. 8-5 at 33,  
15 35; Doc. 222 ¶ 1 (admitting SAC ¶ 45); Doc. 106 at 23-24 & n.22; *infra* pp. 21-23.)

16 Defendants consistently use the term “financial freedom” to refer to a “fabulous  
17 level of wealth beyond completely replacing a job income.” (Doc. 106 at 23; *see also*  
18 Doc. 8-5 at 30 (“liv[ing] the Life of Their Dreams”); Doc. 8-27 at 50 (13:1-3) (“do what  
19 you want, when you want, wherever you want”); Doc. 8-27 at 56 (40:15-24) (a life  
20 “where your son before he was born was already retired[,] and his kids are retired[,] and  
21 his kids’ kids are retired”).) They admit to using images of yachts and cars, piles of cash,  
22 and exotic vacations to make the point. (Doc. 222 ¶ 1 (admitting SAC ¶¶ 50(b), 52).)  
23 Harris used his \$1.8 million home, too. (Ex. 8 ¶ 7; Ex. 30 at 109:7-20, 149:2-150:7,  
24 295:7-296:2.) As the Court found, financial freedom, at minimum, means earning  
25 income greater than one’s current job income. (Doc. 106 at 22.)

26 Defendants also tout Noland’s (fictitious) wealth as attainable for affiliates. At  
27 one recruiting event, Noland rhetorically asked: “Jay, just please tell me how you created  
28

1 a financial freedom life to where your son before he was born was already retired? And  
2 his kids are retired, and his kid's kids are retired? . . . [I]t's going to be somebody that  
3 walks in here for the first time, 18 months from now will never have to work again."  
4 (Doc. 8-27 at 56-57 (40:15-41:9).) Noland, now 52, went on to claim he was "financially  
5 free, completely time and money free since I was 36" and had not "had to work a job . . .  
6 since I was 27." (Doc. 8-27 at 50 (14:19-23); Ex. 29 at 9:11-13 (Noland born in 1968).)

7 Privately, Defendants did the same. Harris told a recruit, "You'll make \$100k+ in  
8 2018." (Doc. 259-1 at 12.) He told another he wanted "serious guys who want to make  
9 \$100K a month in 3 years or less," adding, "[m]illions will be made" with 10 hours per  
10 week to replace one's job income. (Doc. 259-1 at 11.) Sacca told a recruit that it  
11 "literally only takes 2-3 folks catching the vision to create millions!!" (Doc. 259-1 at 8.)

12  
13 **B. After Affiliates Join, Defendants Continue Hying Financial Freedom.**

14 Consumers pay a \$49 annual membership fee to become an SBH "affiliate."  
15 (Doc. 222 ¶ 13 (admitting in part SAC ¶ 23).) Defendants then bombard affiliates with  
16 claims that they can attain financial freedom by working hard and following instructions.  
17 For example, Noland gave affiliates a "reasonable expectation" of replacing their job  
18 income in six months by being "result-oriented and focused," adding if they "just applied  
19 [his system], without fail, you should be able to be financially free in 18 months." (Doc.  
20 8-14 at 63 (7:23-8:6); Doc. 222 ¶ 20 (admitting SAC ¶ 44).)

21 Defendants highlight that SBH will make affiliates millions, calling the program a  
22 "literal golden goose." (Doc. 8-14 at 21 (10:3-5).) They ubiquitously call Jay Noland the  
23 "Millionaire Maker." (Doc. 222 ¶ 1 (admitting SAC ¶ 46 ).) Noland, in turn, promises to  
24 create "1,000 millionaires" through SBH. (Doc. 8-1 at 39; Doc. 8-13 at 397 (28:10-21);  
25 Doc. 8-14 at 139.) He titles many of his videos, "Millionaire Mentorship." (Doc. 8-1 at  
26 43 (¶ 60(c)).) During one such session, he told his online audience to each type, "I'm  
27 going to be a millionaire in SBH." (*Id.* at 38 (¶ 57(e)).) Close to 100 did, including  
28



1 Sacca, who wrote, “Millionaire thru SBH!! Guaranteed!” (*Id.*; *see also* Doc. 8-1 at 40  
2 (“You will be a millionaire if you apply this training.”); Ex. 14 ¶¶ 44-45 (training  
3 attendees to not just for “financial freedom,” but to make “tens of millions of dollars”).)

4 Similarly, Noland frequently dangles his own purported wealth as a carrot. He  
5 boasts that he “made more [money] than most people will make in 10 lifetimes, or maybe  
6 even 20.” (Ex. 145 at 7:25-8:7.) He regularly claims to own homes and warehouses. (  
7 Doc. 8-14 at 45 (21:3-5) (house and office in Colombia); Doc. 8-1 at 42-44 (¶¶ 60(a), 62)  
8 (“home in beautiful Uruguay,” “house over in Colombia,” Panamanian house purchased  
9 in 2012); Ex. 14 ¶ 46 (“my warehouse in London, my warehouse in Colombia, my  
10 warehouse in Hong Kong”).) Noland claims to have turned down multiple \$100,000  
11 speaking gigs because they were inferior to his “residual income.” (Ex. 48 at 7:20-8:8.)  
12 He also touts giveaways to family, friends, and others totaling “a couple million per  
13 year.” (Ex. 42 at 36:18-37:5.)

14  
15 These claims are all false. Noland *now* admits he has a negative net worth and  
16 does not remember the last time it was positive. (Ex. 28 at 37:1-18.) Far from  
17 unfathomable riches, he swore under oath to the IRS that he had “major losses” in each of  
18 his pre-SBH companies. (Ex. 88 at 5; Ex. 29 at 105:6-110:15.) Rather than sitting on a  
19 perpetual income stream, he urged the IRS to remove huge tax liens so that competitors  
20 could not use them to “discredit” him. (Ex. 88 at 5.) Rather than being financially free at  
21 the age of 36 (in 2004), Noland was “living on credit cards” in 2005 and 2006. (Ex. 89 at  
22 1; Ex. 29 at 124:3-130:12.) In 2007, the IRS said he owed \$187,000; he still owes about  
23 \$180,000. (Ex. 89; Doc. 203-2 at 17.) Rather than owning properties, he owns none at  
24 all. (Ex. 28 at 194:4-197:12.) Harris, who passed the big lie along, purposefully avoided  
25 questions that would have easily shown the emperor had no clothes. (Ex. 30 at 41:24-  
26 45:12 (“It’s not my business to ask things like that.”), 183:18-192:14.)

27 Defendants make similarly outlandish claims about Noland’s trainees. Noland  
28

1 told affiliates that he had trained multiple people to make over \$1 million per month.  
2 (Ex. 14 ¶ 47; *see also* Ex. 42 at 53:3-11 (“I’ve had people do it in 12 months. Never have  
3 to work again . . . No less than 20,000 a month.”); Doc. 8-1 at 38 (trainees acquired  
4 “Lamborghinis; Rolls Royces”); Doc. 222 ¶ 1 (admitting SAC ¶¶ 50(d)-(e)).) Harris told  
5 affiliates to tell recruits Noland had “created many 6 Figure earners” and that some  
6 “earned in excess of \$1M a month and many have earned over \$1M a year.” (Ex. 110 at  
7 2; Ex. 30 at 180:21-181:17; *see also* Doc. 259-1 at 14 (Noland “taught 30 people to make  
8 \$50k or more a month within 3 years” and “50 [people] to make \$20K or more a month  
9 within 3 years”). Noland admits he cannot support these claims. (Doc. 259-1 at 70-71  
10 (identifying just four people Noland “personally trained” to “make at least \$23,500 per  
11 month” and, even for that, relying on a hearsay internet post (Doc. 187 at 16-17)).)<sup>1</sup>

12  
13 Defendants repeatedly claim that *anyone* can achieve lucrative financial results if  
14 they put in the work and follow Defendants. They tell recruits that SBH’s rewards are  
15 “achievable for the masses.” (Doc. 222 ¶ 1 (admitting SAC ¶ 57).) Although Noland  
16 sometimes equivocates by saying that not everyone *will* be millionaires, he explains “the  
17 masses” *could* if they just put the time in. (Doc. 8-13 at 311 (7:13-18) (“The masses can  
18 do it. The masses won’t do it.”).) Noland calls his plan “Direct Sales for Dummies,” and  
19 claims that a “dummy can just go follow these instructions and create wealth.” (Doc. 8-  
20 13 at 222 (29:8-13); *see also* Doc. 8-27 at 60 (53:23-54:5) (“you just ain’t done it yet”),  
21 Doc. 8-13 at 4 (8:20-23) (“there’s no way you can fail”).)<sup>2</sup>

22  
23 <sup>1</sup> Defendants also promoted, without support, Sacca and Harris’s wealth. Noland  
24 boasted of “three millionaires” in the field—referring to Harris, Sacca, and Luke Curry.  
25 (12-4-17 at 5:22-6:5; Ex. 333 at 11-12.) None are millionaires. Curry and Sacca have  
26 declared bankruptcy, and Harris and Sacca each swore to net worths of less than \$40,000.  
27 (Doc. 203-3 at 10, 21; *In re Curry*, No. 1:18bk11079 (Bankr. W.D. Ken. 2018); *In re*  
28 *Sacca*, No. 5:08bk50589 (Bankr. E.D. Ken. 2008); *In re Sacca*, No. 5:11bk53502 (Bankr.  
E.D. Ken. 2011); Ex. 342; Doc. 259-1 at 9.)

<sup>2</sup> Defendants claim to have a “No Income Claim” policy, but it simply prescribes  
how to deceive. For example, their “Getting Started Training” tells affiliates, “No

1           **C. Defendants Emphasize Recruiting, Rather Than Sales to Ultimate**  
 2           **Users, as the Key to Financial Success.**

3           Tellingly, Defendants compel affiliates seeking the promised financial gains to  
 4           focus on recruiting new affiliates rather than on selling products to ultimate users. They  
 5           do so through the structure of their compensation plan and bonuses, their instructions to  
 6           affiliates, and the obstacles they place to making sales to ultimate users.

7           **1. The Structure of SBH Commission Plan Prioritized Recruiting.**

8           Affiliates “sell” SBH products by having others buy from SBH using a SBH  
 9           website URL unique to each affiliate. (Doc. 222 ¶ 1 (admitting SAC ¶ 24).) Affiliates  
 10          earn commission on those purchases and on their own and their downline teams’  
 11          purchases. (Doc. 222 ¶ 1(admitting SAC ¶ 26).) SBH promoted a “six-phase”  
 12          commission plan—with six more phases added in August 2019<sup>3</sup> (Doc. 8-5 at 37-42; Doc.  
 13          8-8 at 23-36; Doc. 8-9 at 1-3)—and other bonuses. (Doc. 222 ¶ 1 (admitting SAC ¶¶ 28,  
 14          30-33.) Other than Phase 1, each phase and each bonus program pays rewards that  
 15          require recruiting—often extensively—but not sales to ultimate users.

16                   **i. Six-Phase Commission Plan**

17           **Phase 1 (Retail Sales)** of the plan does not involve any money paid by SBH.  
 18          Rather, it refers to affiliates’ (and non-affiliates’, *see infra* p. 11) ability to buy products  
 19          from SBH at a “wholesale price” and resell them at a mark-up. (Doc. 8-5 at 38.)

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20          Income Claims (Share Lifestyle Enhancements Instead).” (Doc. 8-4 at 72; *see also* Doc.  
 21          222 ¶ 1 (admitting SAC ¶ 50); Doc. 8-13 at 48 (8:12-22) (Harris tells affiliates no  
 22          “income claims” but talk about making house payments and “walk[ing] away” from  
 23          jobs); Ex. 44 at 24:17-24 (Noland making similar point).) Noland admits the reason for  
 24          the “policy” is to avoid government scrutiny. (Doc. 8-27 at 101 (75:1-8); Doc. 106 at 23  
 25          n.21.) Noland, Harris, and Sacca all claimed that Noland never violated the policy. (Ex.  
 26          29 at 93:11-94:9; Ex. 30 at 12:24-15:3, 17:15-24; Ex. 32 at 100:8-23.) In fact, the lone  
 27          instance they identified of *anyone* violating the policy was when Harris gave *truthful*  
 28          information about an Affiliate’s commission check. (Ex. 30 at 17:25-19:13.)

3           <sup>3</sup> Although Defendants profess not to require auto-orders, they *did* impose this  
 4           requirement for certain parts of their 12-phase commission plan. *See* Ex. 126; *but see*  
 5           Doc. 75-1 at ¶ 27 (Noland swearing no auto-order required).

1           **Phases 2-6** provide cash payments or product credits based solely on *purchases*  
2 *from* SBH by an affiliate and the affiliate’s recruits, rather than *sales to* ultimate users of  
3 the products. In each phase, Defendants pay rewards without regard to whether products  
4 are purchased by, or intended for, ultimate users. To receive any commissions, affiliates  
5 must buy at least \$200 in SBH products (or have others do so). (Doc. 222 ¶ 1 (admitting  
6 SAC ¶ 27).) **Phase 2 (Auto Orders)** provides “product credits” to affiliates who set  
7 recurring purchases from SBH, and whose direct recruits do, too. (Doc. 8-5 at 39.)  
8 **Phase 3 (Accelerator Bonus)** pays a cash bonus to affiliates whose newly-enrolled  
9 recruits purchase \$500 “Accelerator Packs” or \$1,995 “Super Accelerator Packs” from  
10 SBH. (Doc. 8-5 at 39.) **Phase 4 (6-Tier Commissions)** rewards affiliates for purchases  
11 from SBH by themselves and their downline teams. (Doc. 8-5 at 40.) Affiliates earn  
12 10% commission on purchases they (Tier 0) and their direct recruits (Tier 1) make. (*Id.*)  
13 Purchases by the affiliate’s recruits’ recruits (Tier 2) provide 6% commissions, repeating  
14 through Tier 3 (4%), Tier 4 (3%), and Tier 5 (2%). (*Id.*) **Phase 5 (Infinity Bonus)** pays  
15 Affiliates who achieve a rank of “SBA1” an additional commission on certain purchases  
16 by their recruits. (Doc. 8-5 at 40-41.) Defendants admit the goal of Phase 5 is to  
17 “encourage[] you to develop a deep, strong Affiliate Team.” (Doc. 8-4 at 88.) **Phase 6**  
18 **(BAM Bonus)** pays a bonus to affiliates who achieve the “Power of 10” structure  
19 promoted by SBH, in which affiliates recruit ten new affiliates, each of whom themselves  
20 recruit ten new affiliates, and so on through five tiers. *See infra* pp. 8-10. The top BAM  
21 Bonus pays \$5 million. (Doc. 8-11 at 14.)

## 22           **ii. Bonuses and Promotions**

23           Defendants offer other rewards for recruiting and purchasing from SBH. They  
24 pay “Power 500” and “Power 1000” bonuses if an affiliate buys a product pack of \$125  
25 or more and, within 14 days, recruits new affiliates who make certain purchases. (Doc.  
26 8-11 at 5.) Similarly, SBH’s “5x5 bonus” pays up to \$10,000 for recruiting five new  
27  
28

1 affiliates, each of whom buy a \$500 Accelerator Pack and recruit five new affiliates who  
 2 also purchase Accelerator Packs. (Doc. 8-13 at 193; Doc. 222 ¶ 16 (admitting in part  
 3 ¶ 34).) SBH offered a \$200 bonus for each month’s “Top Referrer”—*i.e.*, the top  
 4 recruiter. (Ex. 13 at 3, 16; *see also* Ex. 69 (\$50 credit for recruiting 10).) SBH also  
 5 teased a trip to Hawaii and to Aruba for “rank advanc[ing].” (Ex. 32 at 149:1-151:24.)  
 6 Finally, a “USA Tour Challenge” awarded \$1,000 for recruiting affiliates. (Ex. 70.)

7 **2. Defendants Instruct Affiliates to Focus on Recruiting Rather**  
 8 **Than Sales to Ultimate Users.**

9 Defendants reinforce their recruitment-focused commission plan through their  
 10 training documents and instructions to affiliates. They promote “four steps to success”  
 11 that encourage recruiting, but not product sales, and encourage affiliates to harness the  
 12 “Power of Ten” by building a team of ten “Tier 1” affiliates who duplicate the same  
 13 process. They also make numerous statements to focus affiliates on recruiting.

14 **i. The “Four Steps to Success” Omits Retail Sales.**

15 Defendants promote “Four Steps to Success” to “Hit the Ground Running as a new  
 16 SBH Affiliate.” (Doc. 8-8 at 20.) Yet the four steps do not mention sales to ultimate  
 17 users. Instead, they tell affiliates to (1) “get started” by buying products (preferably \$500  
 18 or \$1,995 packs), (2) “be a product of the product” by setting a monthly auto-order of at  
 19 least \$60 (\$500 if seeking “financial freedom”), (3) build a team (*i.e.*, recruit), and  
 20 (4) duplicate their own efforts by teaching their team to do the same. (Doc. 8-8 at 20;  
 21 Doc. 8-4 at 114; Doc. 8-13 at 397 (25:1-4).) For the third step, Defendants tell affiliates  
 22 to recruit two new affiliates within 48 hours if they seek financial freedom. (Doc. 8-4 at  
 23 117.) “[D]uplication,” is the “key to long term success as an SBH Affiliate.” (*Id.* at 98.)

24 **ii. The “Power of Ten” Encourages Exponential Recruiting.**

25 Defendants also highlight a “Power of Ten” “success strategy” in which  
 26 “Affiliates need to get ‘my 10’ Affiliate Team Members” and teach new recruits to “do  
 27 the same.” (Doc. 8-8 at 5.) Affiliates achieve the full “Power of Ten” by recruiting 10  
 28

1 affiliates as their “Tier 1,” each of whom recruit 10 as the first affiliate’s “Tier 2,” and so  
 2 on through Tiers 3-5. (*Id.* at 6-7.) Defendants say this will pay \$1,173,500 per month  
 3 when each affiliate in the 10x10 spends \$500 per month.<sup>4</sup> (*Id.* at 6-7.) The affiliate also  
 4 is eligible for the \$5 million BAM Bonus upon completing the Power of 10. *Supra* p. 7.

5 After affiliates join SBH, Defendants’ references to “getting ten” are ubiquitous.  
 6 (*See, e.g.*, Doc. 8-14 at 81 (26:16-19) (Harris: “your ten-by-ten is the most important  
 7 thing you can ever build in this company.”)); Doc. 8-13 at 312 (34:6-12) (Noland: “If  
 8 you’re not creating a ten-by-ten, you’re not doing your job . . . . [A]nybody that tells me  
 9 that they want financial freedom and will not go . . . get these ten, they are an enemy.”);  
 10 Ex. 14 ¶ 42 (“you’re completely free” if “you find [your 10]”), ¶ 43 (affiliates “\$200,000  
 11 in debt” can be “free in four months” through Power of 10).) In what the Court called a  
 12 “damning statement” (Doc. 106 at 12), Sacca told affiliates that the SBH commission  
 13 plan is “driven 100 percent, not—not 95, not 85, not 75—it’s driven 100 percent by our  
 14 [Power of Ten BAM] bonus. . . .” (Doc. 8-13 at 291; Doc. 106 at 4 n.4.) Defendants  
 15 admit urging affiliates to achieve the Power of 10. (Doc. 222 ¶ 1 (admitting SAC ¶¶ 69-  
 16 72, 75)(a)-(c).))

17  
 18 To build the Power of Ten, Defendants tell affiliates seeking financial freedom  
 19 they must ask four people to join SBH every day. The SBH “Million Dollar Contract,”  
 20 for example, tells affiliates to ask four people to join SBH “at least 5 days a week for at  
 21 least 18 months.” (Doc. 222 ¶ 1(admitting SAC ¶ 47).) Noland told affiliates if they  
 22 wanted to show “the utmost commitment to developing a financially free lifestyle,” they  
 23

---

24 <sup>4</sup> Defendants try to justify their exhortations to buy \$500 per month with sleight of  
 25 hand—arguing that they were actually encouraging offline retail sales of six bags of  
 26 coffee per week. However, affiliate compensation in no way depends on selling products  
 27 they buy. *See supra* p. 7. Therefore, saying “six bag per week” serves little purpose  
 28 other than convincing affiliates to buy more products than they need or can sell. (Ex. 18  
 at 53-54 (¶ 98).) Tellingly, Defendants do not tell affiliates to stop buying as they  
 accumulate inventory. *See infra* pp. 13-14. There is little, if any, evidence that any  
 affiliates are able to achieve \$500 per month in offline retail sales. *See infra* pp. 21-23.

1 need to ask “four people a day for money to join the business.” (Ex. 63 at 19:9-13.; see  
2 also Ex. 64 at 37:13-14 (same).) This theme was a frequent subject of Defendants’  
3 training events. (Ex. 65 at 5; Ex. 66 at 13; Ex. 113 at 38; Ex. 68 at 3.)

### 4 **iii. Explicit Recruiting Instructions**

5 Defendants reinforce their recruiting-focused program. For example, Noland told  
6 affiliates that the goal of one cash promotion was to focus them on “what you should be  
7 focusing on right now, which is new people getting into the company.” (Doc. 8-13 at 154  
8 (24:18-21).) At one event, Harris told affiliates to “have a plan to recruit everyone you  
9 meet.” He then told affiliates that when people ask him “*Is this one of those pyramid*  
10 *things?*” he says, “[H]ell, yeah it is. If it wasn’t, I wouldn’t be doing it. Do I look dumb  
11 enough to go get a job again?” (Ex. 38 at 7:15-21; Ex. 50 at 7:7-11 (similar).)

12 The focus on recruiting starts right when an affiliate joins. At one event, Noland  
13 predicted dire consequences for any new affiliate who did not recruit someone within 48  
14 hours: “Soon as I bring you in, *you better put somebody in in 48 hours, or I am almost*  
15 *never going to talk to you again. . . . Guess what will happen if you go slow? More than*  
16 *likely you’re gonna die. More than likely, you’re gonna quit.*” (Ex. 49 at 4 (9:13-23).)

17 Along the same lines, Noland explained the “most important thing” is to recruit  
18 inviters—people who will continue the recruitment chain. (Ex. 58 at 11:11-20 (“I’m not  
19 super fired up until that person recruits somebody else to join.”).) Defendants’  
20 “Bootcamp” slide deck bluntly tells affiliates: “You Have To Get Great At  
21 RECRUITING.” (Ex. 67 at 22.) These remarks are consistent with SBH training  
22 documents. (Doc. 8-4 at 117.)

23 Defendants’ internal talks show their focus on recruiting is deliberate. In one  
24 frank text series of messages from Noland to Harris and Sacca, Noland made clear that  
25 “RECRUITING” is the “MAIN FOCUS” (Doc. 259-1 at 15):

26  
27           Need you guys to get people RECRUITING. That has to be the  
28           MAIN FOCUS. No Recruiting = No Residual Income. As Sr. Field

1           Advisors, your #1 Job is to move the field to build . . . . Scott, you  
2           and Tommy buckle up hard today with each other and get people  
3           moving. RECRUIT and REPORT . . . . You two need to personally  
4           start RECRUITING your asses off as well. Lead.

4           Tellingly, Noland requested a monthly report on the top recruiters. (Ex. 108; Ex. 14 ¶  
5           16.) No comparable “retail sales” report exists. (Ex. 14 ¶ 17.)

6           SBH’s employees and affiliates all march to this recruiting drumbeat. SBH’s  
7           then-director of sales, Robert Mehler, explained that while retail sales could help  
8           affiliates “make some extra, part-time money,” “recruiting is key” and affiliates should  
9           build a “10x10x10x10x10.” (Doc. 8-12 at 83-84 (20:12-21:6); Doc. 259-1 at 9 (Affiliate  
10          to Sacca: “[W]e know we have to constantly keep recruiting.”).)

### 11                           **3. Defendants Undermine Sales to Ultimate Users as a Viable Path.**

12          Affiliates can sell SBH products to ultimate users online through their replicated  
13          version of the SBH website or “offline” from their own inventory. Defendants, however,  
14          put little emphasis on, and in fact undermine, sales to ultimate users as follows.

15          *First*, Defendants do not reward offline sales. They do not even track them. (Doc.  
16          8-1 at 47-48 (¶ 65(k)); Doc. 222 ¶ 34 (admitting in part SAC ¶ 64); Doc. 106 at 14; Ex.  
17          30 at 270:6-25.)

18          *Second*, definitively demonstrating that recruits are not supposed to make money  
19          selling products to user, Defendants sell products to the public at the same “wholesale”  
20          price at which affiliates buy from SBH. (Doc. 8-5 at 38.) This pricing makes any  
21          meaningful amount of offline sales all but impossible. Indeed, Defendants tell affiliates  
22          to *instruct* their “retail” customers on how to cut the affiliate out and buy wholesale from  
23          SBH. (Doc. 8-5 at 8.) As the Court recognized, “this pricing structure raises serious  
24          questions about whether retail sales can and do serve as a legitimate pathway to profits.”  
25          (Doc. 106 at 2.) Unsurprisingly, affiliates complained to no avail about this obstacle.<sup>5</sup>

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26  
27  
28          <sup>5</sup> See Ex. 71 (“[H]ow can I charge them \$35 for coffee when it sates on the site that it is \$22?”); Ex. 72 (“When we send people to the site . . . , they assume they will get



1            *Third*, Defendants restrict offline sales. For example, they bar sales on Amazon or  
 2 eBay. (Ex. 103; Ex. 105; Ex. 30 at 226:15-232:22 (it’s “really not fair” if an affiliate  
 3 sells “at a lower price than what they paid” or does so when they “leave the company”).)  
 4 Their products also lacked UPC barcodes, needed for affiliates looking to resell products  
 5 in local businesses. (Exs. 75, 76; Ex. 14 ¶ 39.)

6            *Fourth*, to the extent that Defendants promote sales to non-affiliate ultimate users,  
 7 they do so as a recruiting or “confidence-building” strategy, and consistently urge  
 8 converting those customers into affiliates. (*See, e.g.*, Doc. 8-4 at 117; Doc. 8-13 at 96  
 9 (26:16-27:4); Doc. 8-13 at 133 (23:21-24:3); Doc. 8-15 at 32.)

10            *Fifth*, Defendants’ frequent shipping delays (*see infra* pp. 15-16) made sales to  
 11 ultimate users nearly impossible, as affiliates repeatedly complained. *See* Ex. 77 (“I have  
 12 to have product in order to sell something.”); Ex. 78 (“How am I supposed to sell coffee  
 13 when I can’t even get what I order[?]”); Ex. 79 (“The delay in delivery product has  
 14 interfered with my ability to profit.”).

15            *Sixth*, Noland admits the obvious: the products are, in fact, irrelevant. Shortly  
 16 before launching SBH, Noland claimed he could “plug any company or product into [his]  
 17 process, and you can be free financially if you want to be.” (Doc. 8-27 at 87 (19:4-6).)  
 18 Similarly, he told SBH affiliates not to complain about not receiving products because  
 19 they could just “sell the vision” (*i.e.*, the business opportunity). (Ex. 35 at 29:18-30:10;  
 20 *see also* Doc. 8-14 at 136 (prior team sold \$1 million without product).)  
 21

22            Unsurprisingly, Defendants’ undermining of sales to ultimate users is reflected in  
 23 the data. Offline and online sales to non-affiliates are rare. *See infra* p. 21-23, 30.

24            **4. Defendants Tell Affiliates That They Must Purchase Excessive**  
 25            **Products and Pay for “Training” to Achieve Financial Success.**

26            Defendants preach that if affiliates want financial freedom, they must buy products

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27            the products at the wholesale price listed.”); Ex. 73 (“Why can a customer order G burn  
 28 from my website for [the same price as] when I order for myself?”).

1 and attend training events. By doing so, they further remove rewards from true demand.

2 From the outset, Defendants urge consumers to buy large product packs: the  
3 “more inventory you have to start your business, the faster your business typically will  
4 grow.” (Doc. 222 ¶ 41 (admitting in part SAC ¶ 76(a)); Doc. 8-4 at 113; *see also* Doc. 8-  
5 5 at 29 (“The higher the Pack you initially start with, the more money you can  
6 make . . . .”).) Defendants encourage new affiliates to set auto-orders (Doc. 8-4 at 114),  
7 explaining that their success depends on it (Doc. 8-5 at 5-6).

8 Defendants also push expensive training events on new affiliates. The 1-Year  
9 Commitment Form tells them to commit to attending “all Major Corporate Events,” at a  
10 cost of at least \$4,000 per year. (Doc. 8-5 at 2; Ex. 14 ¶¶ 36-37 (cost).) They add that  
11 getting new recruits to events is the “fastest way to build a large, long term team.” (Doc.  
12 8-4 at 118.) In Defendants’ Million Dollar Contract, affiliates pledge to attend “all SBH  
13 corporate trainings and events no matter what.” (Doc. 8-13 at 189.)

14 The pressure does not relent after the affiliate joins. Instead, Defendants push  
15 ongoing monthly product purchases untethered to retail demand. At the end of each  
16 month, they send an email telling affiliates to “[Q]ualif[y] to the Highest Affiliate Rank  
17 Possible!” (Ex. 141.) They remind affiliates, “your Personal Orders count towards your  
18 Group Volume Qualifications.” (*Id.*) Noland admitted the purpose of these emails is to  
19 “create urgency.” (Ex. 122.) In one end-of-month video message to affiliates, Harris  
20 acknowledged affiliates were holding large volumes of unsold inventory (Doc. 8-12 at  
21 103 (28:9-19)), but urged them to buy more, bragging he and Noland previously carried  
22 around “\$25,000 or more in products,” and explaining he used to spend \$2,000-3,000 to  
23 qualify for higher ranks (Doc. 8-12 at 105 (30:11-22); Ex. 51 at 15:6-18). Noland told  
24 one audience not to bother if they were not going to order products every month, later  
25 adding that if affiliates wanted to earn millions, they needed \$500 in “personal volume”  
26 per month. (Doc. 81-2 at 5 (¶ 17(a)).) Affiliates abide, with the data showing purchase  
27  
28

1 volume spikes at the end of each month. (Doc. 8-23 at 20-22.)

2 Defendants require “Founders” and “Global Ambassadors”<sup>6</sup> to purchase \$100-350  
3 in products per month and attend all events at a cost of at least \$4,000 per year or lose  
4 their status. (Ex. 63 at 21:1-15; Ex. 69 at 1; Ex. 14 ¶¶ 7, 36-37.) Defendants even forced  
5 an affiliate, who missed an event on her doctor’s orders because a fall had resulted in  
6 “[c]racked discs and such,” to make up for it by hitting a rank of SBA1 in three months  
7 or lose her status. (Doc. 259-1 at 8.) Defendants’ emails confirm affiliates make  
8 purchases to maintain rank rather than to satisfy demand. (Ex. 83 (“trying to set up my  
9 auto-order . . . in order that I can fulfil my commitments”); Ex. 81 (affiliate “is trying to  
10 get her \$250 order in because she’s a Global Ambassador”); Ex. 82; Ex. 141 (end-of-  
11 month emails remind Founders and Global Ambassadors of purchase obligations).)

12  
13 Defendants also force purchases by inventing elite groups for affiliates to receive  
14 purportedly exclusive benefits. In 2018, for example, SBH announced an “SBH CORE  
15 team,” which would include 20 affiliates “on the same page mentally with [Noland] on  
16 this Millionaire Making journey.” (Ex. 135; Ex. 29 at 279:3-280:23.) Members had to  
17 subscribe to three Jay Noland training series (\$100 per month plus approximately \$1500  
18 up-front), establish a \$500 Auto-Order, buy a ticket to an upcoming training, and have  
19 three recruits also buy tickets. (Ex. 135; Ex. 14 ¶ 38 (cost) .) Affiliates submitted  
20 applications, but Defendants never even announced a CORE team. (Ex. 124 (Core  
21 submissions); Ex. 14 ¶ 15.) The next year, Defendants rebooted the scheme, promoting a  
22 new “Pre-Core” team with yet more eligibility criteria. (Ex. 123.)  
23

24  
25 \_\_\_\_\_  
26 <sup>6</sup> Defendants urge affiliates seeking financial freedom to become “Founders” or  
27 “Global Ambassadors” for \$2,500-5,000. (Ex. 14 ¶ 13; Ex. 55 at 3 (8:1-17) (“If you want  
28 to be an Icon, are you at least a country founder?”); Ex. 56 at 3 (8:7-21) (“[I]f they say  
they want to be wealthy . . . and you ain’t global ambassador, you making an extremely . .  
unwise decision that you [will] regret.”); Ex. 32 at 253:19-254:17 (“[W]e probably said  
we only want Number 3s” to be Founders or Global Ambassadors).)

1           **D. Defendants Employ No Safeguards to Protect Consumers.**

2           Not only do Defendants encourage excessive buying (untethered to ultimate-user  
3 demand), but they also lack any policies to ensure that affiliates' inventory ends up in the  
4 hands of ultimate users rather than accumulating in affiliates' garages. For example,  
5 Defendants' no-refund policy (*see infra* p. 16) leaves consumers who are unable to sell  
6 their personal inventory with no option but to take losses. *See* Ex. 18 at 99 (¶ 161) (no-  
7 refund policy is an "anti-safeguard"). Defendants also have no policy that affiliates must  
8 resell or use products they purchase or that they maintain a minimal number of retail  
9 customers. (Doc. 81-3 at 18 (Noland admitting SBH has no compliance policies); Doc.  
10 8-2 at 17-21 (no safeguards in Terms of Use).)

11           **E. Defendants' Shipping and Refund Policies and Practices Exacerbate**  
12 **the Harm Caused by Their Pyramid Scheme.**

13           Consistent with their focus on recruitment rather than retail sales, Defendants, by  
14 their own admission, routinely wait months to fulfill product orders, if they do so at all.  
15 They nevertheless refuse to refund affiliates, even for items never delivered.

16           Buried in SBH's terms—which are themselves buried in a hyperlink in SBH's  
17 website footer—the company states that products "usually" ship within 48 hours, but may  
18 not for up to 60 days "or more." (Doc. 8-1 at 7 (¶ 19(b)); Doc. 8-2 at 18.) In affiliates'  
19 back offices, Defendants state products ship within "48-72 hours" and add the "60 day or  
20 more" exception in a separate section about refunds. (Doc. 8-11 at 580; Doc. 8-12 at 2.)

21           Defendants frequently fail to meet even these vague projections. Multiple  
22 consumers report never receiving products or waiting months for them. *See, e.g.*, Ex. 6  
23 ¶ 17 ("[Shipments] were often late. I received tons of complaints from other Affiliates  
24 and customers about delays."); Ex. 22 at 86-87 (products delivered more than 30 days  
25 later "quite often"); Ex. 25 at 148:3-149 (never received 3 separate case orders totaling  
26 \$1500 in products; never received \$5,000 pack). For some foreign affiliates, Defendants  
27 refused to ship products, and required them to travel to the United States to pick up  
28

1 orders (without saying so in advance). *See* Ex. 4 ¶ 5; Ex. 11 ¶ 7.

2 Defendants admit to these prolonged delays. In October 2018, Noland admitted  
3 that SBH sold out of all products for a “month, month-and-a-half” at the start of 2018.  
4 (Ex. 147 at 16:7-11.) As of March 13, 2018, an internal SBH list showed Defendants  
5 owed SBH founders at least \$370,000 in products, all for orders placed at least 30 days  
6 prior. (Ex. 102; Ex. 14 ¶ 22.) Defendants also failed to ship orders, totaling at least  
7 \$200,000, for at least 30 days and up to a year. (Ex. 14 ¶¶ 23-27.)

8 Defendants do not offer consumers the opportunity to cancel delayed orders or  
9 receive a refund. In fact, their policy is no refunds “for any reason whatsoever.”<sup>7</sup> (Doc.  
10 8-2 at 19.) Unsurprisingly, SBH had, in Noland’s words, “a crazy amount” of people ask  
11 about shipping delays. (Ex. 57 at 5:23-6:15; *see also* Ex. 33 at 22:4-11 (Noland noting 8  
12 such complaints).) Noland blames complaints on “terrible leadership,” not by himself,  
13 but by Affiliates, and threatens to terminate anyone if they or their downline complain.  
14 (Ex. 57 at 5:23-6:15; *see also* Ex. 36 at 20:4-15 (“If you complain, great chance you’re  
15 going to be terminated, out, bam. . . . Can’t complain, it’s one of the rules.”)).

17 **F. Defendants Use Their “Training” Events To Amplify Pressure on**  
18 **Affiliates to Make Excessive Purchases.**

19 Defendants consistently pressure affiliates to pay hundreds or thousands of dollars  
20 to attend all of Jay Noland’s “training” events. Sacca said of one event—with \$3,000-  
21 5,000 tickets—“*[t]here’s no way you can fail* if you utilize the training that Mr. Noland  
22 is going to give us . . . .” (Doc. 8-13 at 4 (8:20-22).) Noland agreed, telling affiliates the  
23 only way they could fail to get wealthy, if they and their downline teams attended, was  
24 “to shoot yourself in the head.” (Doc. 8-1 at 32-33 (¶ 54(c)).) Over almost two years,

25 \_\_\_\_\_  
26 <sup>7</sup> Defendants also discourage consumers from recovering money paid for  
27 undelivered products by prohibiting chargebacks for any reason (even SBH’s failure to  
28 deliver) and imposing an onerous confession of judgment clause. (Doc. 8-2 at 19.) In  
December 2018, Success By Media Holdings Inc. sued nine affiliates, alleging, among  
other things, that they sought 12 chargebacks. (Doc. 8-20 at 84, 92.)

1 consumers paid over \$1.2 million to attend Defendants’ trainings or to access training  
2 materials—approximately 25% all money they paid to SBH. (Doc. 8-23 at 18 (¶ 28).)

3 Defendants also pressure affiliates to take on debt to attend SBH events (and buy  
4 products). Prior to a Florida event, Harris told affiliates they should max out credit cards  
5 and take out loans because attending “is what it takes . . . to make it to the top.” (Doc.  
6 222 ¶ 1 (admitting SAC ¶ 78); *see also* Ex. 30 at 245:21-24 (“if you really want to be at  
7 the top, you have to spend money, at least in the beginning, to get enough training”); Ex.  
8 62 at 5:12-15 (Sacca boasting consumers “are using multiple credit cards to get to Icon  
9 because they . . . see the value”); Ex. 6 (Noland on “us[ing] other people’s money”).)

10 At their events, Defendants create a high-pressure sales environment, frequently  
11 pressuring affiliates to buy packs or tickets to yet more training events. (Ex. 54 at 10:9-  
12 23 (telling affiliates “you were a con” and “you were a fake” if they did not commit to  
13 buying tickets to upcoming event); Ex. 9 ¶¶ 9, 13.) The order forms distributed at these  
14 events bar refunds, rather than informing consumers, as required by law, of their right to  
15 a refund. (Exs. 90-98 (order forms); Ex. 31 at 9:23-29:5.) Defendants, in fact, admit that  
16 they do not offer legally required refunds. (Doc. 222 ¶ 1 (admitting SAC ¶ 181).)

## 18 **II. VOZ’S FRAUDULENT SALES AND RECRUITING PRACTICES**

19 Defendants’ business struggled in 2019. In late August, their accountant, Crystal  
20 Roney, sent Jay Noland “internal reporting” showing SBM’s net operating income for the  
21 year was negative. (Ex. 84 at 1, 9.) SBH product sales had plummeted nearly 33%.  
22 (*See id.* at 9.) Roney warned Noland he needed an “income run.” (*Id.* at 1; *see also* Doc.  
23 222 ¶ 1 (admitting SAC ¶ 112 (sales declines)).) Noland turned to what he knows best.  
24 *See* Doc. 8-27 at 96 (53:3-8) (Noland: “I build pyramids, man. . . . That’s what I do. I  
25 build some little pyramids. Except I’m at the top of the ones I built.”.)

26 In October 2019, Defendants announced a “VOZ Travel” program. The program  
27 required enrollees (“Elite Travel Affiliates” or “ETAs”) to buy \$1,000-2,795 “packs” to  
28

1 access a (never-completed) travel platform and earn rewards by recruiting others to buy  
2 packs. Even as their efforts to launch the scheme collapsed, they pushed affiliates to  
3 keep recruiting others to pay money to SBH. Ultimately, Defendants took in \$1 million  
4 from ETAs, but never provided any product or service, and had no ability to do so.

5  
6 **A. Defendants Lured Consumers to Purchase Expensive VOZ  
Memberships with Promises of Substantial Income.**

7 From the outset, Defendants promoted VOZ in much the same way as SBH. In  
8 one video, Sacca boasted: “Yes, there will be [VOZ] Travel ETAs making over [\$]1.5  
9 million per year. We cannot guarantee you income . . . . We can guarantee you that, if  
10 you go to work, you’re going to change your life.” (Ex. 59 at 17:14-18:8.) Similarly,  
11 Noland introduced VOZ by telling SBH affiliates how they could make a “six-figure  
12 income just saving people money on travel.” (Doc. 8-14 at 107 (51:19-25).)

13 Defendants’ VOZ recruiting presentation echoed those boasts. It touted the ability  
14 to earn \$230,000 per year with “casual effort” and \$1.53 million a year by being “on the  
15 ball.” (Doc. 8-18 at 33-34.) Defendants told consumers, “You will MAKE significant  
16 earnings on sharing the platform with others.” (Doc. 8-18 at 20; *see also id.* at 27 (“Our  
17 lucrative compensation and rewards model presents a fun and profitable path towards  
18 financial independence.”); Ex. 85 at 4 (“Literally replace your current income.”).) VOZ  
19 also duplicated SBH’s “Power of Ten” recruiting model, telling affiliates that they could  
20 earn \$115,000 per month. (Ex. 85 at 7.)

21  
22 **B. Defendants Paid Commissions to VOZ Members for Recruiting.**

23 SBH affiliates earned rewards by buying VOZ memberships and recruiting others  
24 to do the same. During VOZ’s permanent pre-launch, consumers could buy a VOZ  
25 membership only by spending \$1,000 for a VOZ “movement pack” or \$2,495 for a VOZ  
26 “movement founders pack.” (Doc. 81-2 at 8; Doc. 222 ¶ 1 (admitting SAC ¶ 121).)  
27 There was no physical “pack,” and consumers who bought these “packs” never received  
28 any product or service. (Doc. 222 ¶ 72 (admitting in part SAC ¶¶ 123).) Instead, they

1 obtained the right to receive rewards by recruiting others to spend \$1,000 or more on a  
2 pack.<sup>8</sup> For example, Defendants duplicated the SBH “3x3,” “4x4,” and “5x5”-style cash  
3 promotions to reward recruitment of new VOZ ETAs. (Ex. 134.) To earn the 3x3  
4 bonus, one had to buy a VOZ membership “pack” or SBH membership, recruit three  
5 others to buy VOZ packs, and have each of them recruit three new VOZ members. (*Id.*)  
6 The 3x3 had a \$1,000-2,000 bonus; the 4x4 and 5x5 worked the same way with bigger  
7 bonuses. (*Id.*) Defendants also used their “six-tier” commissions for each purchase of a  
8 “pack.” (Ex. 5 at 5 (\$145 earned primarily on VOZ purchase); *see* Ex. 15 ¶ 22.)

9 Defendants also provided general recruiting encouragement. In one post, Noland  
10 stated that there was “no telling what I’m going to do SPECIAL” for the top VOZ  
11 recruiter. (Ex. 128.) As in SBH, Harris and Sacca stressed to new VOZ members that it  
12 was “crucial” that they recruit a new member within 48 hours. (Ex. 117; *supra* pp. 8-  
13 10.) When affiliates emailed SBH about a new enrollee, Defendants replied, “keep  
14 growing,” and encouraged them to help the new member recruit others. (Ex. 86.)

### 15 **C. Defendants Never Provided the VOZ Service.**

16 When Defendants announced the VOZ “pre-launch,” promising 75% discounts on  
17 travel, they had no vendor to provide the service. (Ex. 29 at 136:12-138:21.) Weeks  
18 later, they signed a contract with “Advantage Services” to do so. (Doc. 81-2 at 27.)

19 Two months and \$1 million in VOZ sales later, Jay Noland announced on  
20 December 18, 2019 that he would unveil “beta access” to the VOZ platform by year’s  
21 end. (Doc. 81-2 at 65.) He knew this was untrue (Ex. 106), but tried to create urgency by  
22 claiming it was the last day to gain “some fantastic benefits” (Doc. 81-2 at 65). Two  
23 days later, he reversed. On a lie-filled call he deemed a “Strategic Timing Release  
24 Announcement” (Doc. 81-2 at 68), Noland told ETAs “beta access” would *not* be  
25

---

26 <sup>8</sup> Noland was unsure if it was technically necessary to buy a VOZ pack to receive  
27 recruiting rewards, but confirmed that an SBH membership (and \$49 fee) was required.  
28 (Ex. 29 at 186:13-188:16.) In any event, as described above, Defendants, in practice,  
strongly encouraged VOZ pack purchases to obtain the recruiting rewards. (Ex. 127.)



1 available (Ex. 60 at 22:10-14). He explained that “two weeks ago something mega  
2 happened. I can’t even tell you how big it is other than to say it’s the biggest travel deal  
3 ever,” in which “all kind of attorneys” had been “dealing with all of those hotels, cruise  
4 lines, airlines, rental cars.” (Ex. 60 at 13:17-14:7.) Then, Noland reveled the “news”:

5 Well about 72 hours ago it got to the point to where it was close to  
6 where it could be inked . . . . It just happened. I want to scream. I want  
7 to run out of here, I want to shout, it just happened, a multi-billion  
dollar inked deal, it’s happened, and you’re all a part of it.

8 (Ex. 60 at 14:11-18.) The “multibillion dollar inked deal” would result in a “slight push  
9 on the release” until mid-January. (Ex. 60 at 14:19-23, 22:10-14.)

10 This story was a complete fabrication. There was no “multibillion dollar inked  
11 deal” or “biggest travel deal ever.” There were no negotiations with “hotels, cruise lines,  
12 airlines, rental cars.” There was nothing. (Doc. 222 ¶ 77 (admitting in part SAC ¶ 129).)  
13 Without missing a beat, Defendants used the delay to announce a *new* sales contest with  
14 higher prices. (Doc. 81-2 at 67.) They continued rewarding the recruiting of new ETAs  
15 to buy VOZ packs with no actual service in sight. (*Id.*)

16 Two weeks later, and just one week before the revised purported launch date,  
17 SBM and Advantage Services both terminated the entities’ contract with each other.  
18 (Doc. 222 ¶ 79 (admitting in part SAC ¶131).) Defendants pivoted again, telling ETAs  
19 that VOZ was not just a travel program, but instead was about “Freedom,” “experiences,”  
20 and “memories.” (Ex. 61 at 13:5-18.) Defendants had not retained a new vendor as of  
21 entry of the TRO and had not informed ETAs of the obstacles to launching the platform.  
22 (Doc. 222 ¶ 1 (admitting SAC ¶ 134); Doc. 81-2 at 11 (¶ 28).)

23 **D. The VOZ Service, If It Ever Existed, Would Have Rewarded**  
24 **Recruiting in the Same Manner That SBH Did.**

25 Defendants never released a full version of the VOZ commission plan but  
26 indicated it would mirror the SBH plan, featuring the “six-tier residual tier” commissions,  
27 “Accelerator Pay Match,” and “4 Generation Infinity Bonus.” *See* (Doc. 222 ¶ 1  
28 (admitting SAC ¶ 117 (six-tier commissions)); *supra* p. 7; Ex. 85 at 6.)

### 1 III. DEFENDANTS' DECEPTION HARMS CONSUMERS.

2 Defendants' claims that the "masses" can make substantial income by enrolling in  
3 SBH and following Defendants' instructions are patently false. In fact, no affiliates made  
4 substantial income and very few, if any, could ever do so. Affiliates, excluding the  
5 Individual Defendants, are overwhelmingly in a net loss position whether viewed through  
6 (1) economic modeling of the SBH plan, (2) SBH's actual data on affiliate purchases and  
7 rewards, or (3) actual data from affiliates.

8 First, Dr. Stacie Bosley, a Ph.D. in Applied Economics and an expert on multilevel  
9 marketing who previously has testified in that capacity in this District and in this case,  
10 reviewed Defendants' compensation plan and marketing materials. (Ex. 18.) She  
11 explained the SBH (and VOZ) plan creates a perpetual chain of recruitment "delivering  
12 easily foreseen losses (from a structural perspective) to the vast majority of participants."  
13 (Ex. 18 at 4 (¶ 10).) Dr. Bosley's modeling predicts more than 90% of affiliates have to  
14 incur losses by following the SBH program. (Ex. 18 at 33 (¶¶ 59-60)), 34 (Table 2); *see*  
15 *also supra* (noting VOZ plan never released in full but would mirror SBH).) Amazingly,  
16 the same is true even assuming each affiliate buys \$500 in product per month and sells it  
17 for a 75% markup as Defendants instruct. (Ex. 18 at 33 (¶ 61), 35 (Table 3).  
18

19 Second, consistent with Dr. Bosley's analysis, SBH's own data shows that over  
20 94% of affiliates did not earn enough rewards from SBH to recoup the money they paid  
21 to SBH. (Ex. 18 at 100 (¶ 163); Ex. 15 ¶ 17.) Excluding the Defendants, SBH has 6,957  
22 affiliates who earned \$2,174,301 in commissions (\$312 per affiliate), and \$261,640 in  
23 product credits (\$38 per affiliate). (Ex. 15 ¶16.) Affiliates purchased \$8.4 million in  
24 SBH products and trainings to earn those payouts. (*Id.*) Less than 6% of affiliates (420),  
25 received more money from SBH than they paid to it, and that "lucky" few received, on  
26 average, a net \$227 per month. (*Id.* ¶¶ 17-18.) Only 11 affiliates netted more than  
27 \$10,000, and based on their tenure with SBH, is an average of \$1,581 per year for each of  
28 them—a far cry from the \$1,173,500 *per month* Defendants promised. (*Id.* ¶ 18.) The

1 273 affiliates who pursued SBH for over 18 months—the time to reach “financial  
2 freedom”—had a net loss of \$2.0 million; only 11 had a positive net. (Ex. 14 ¶ 35.)<sup>9</sup>

3 Third, data from affiliates’ actual experience shows nearly all lost money. Sworn  
4 testimony from 12 affiliates, 11 of them “Founders” (“3s” seeking financial freedom  
5 through SBH who had to be interviewed and cleared by SBH’s Senior Field Advisors, *see*  
6 Harris Dep. 101:3-20; Sacca Dep. 251:18-23) show they each lost money. (Ex. 14 ¶ 31.)  
7 Collectively, the 12 pursued SBH for 125 months, paid SBH \$38,177 for “training” and  
8 \$103,924 for memberships/products, incurred \$53,511 in SBH-related expenses, earned  
9 \$45,491 in SBH rewards, earned \$20,177 from reselling SBH products, and personally  
10 consumed \$13,334 in SBH products. (*Id.*) Together, they lost \$123,195. (*Id.*)

11 Even affiliates who oppose the Court’s injunction did abysmally. The 106 unique  
12 affiliates for whom Defendants submitted statements to the Court (with discernable IDs)  
13 earned incurred a collective loss of -\$908,103. (Ex. 15 ¶ 20.) Just six are net positive  
14 (one at \$17). (*Id.*) The top 5 *most successful* of Defendants’ hand-picked supporters  
15 netted just \$2,556 each on an average, annualized basis. (Ex. 14 ¶ 35.)

16 The results are not much better for Defendants’ supporters by adding information  
17 about their retail sales and expenses. The FTC subpoenaed 19 affiliates, 5 did not  
18 respond (each one of Defendants’ 106 supporters). (Doc. 282-1 at 2.) Taking the 9 who  
19 gave meaningful data, along with Defendants’ purported expert/affiliate who testified  
20 under oath, the 10: paid SBH \$52,827 for “training” and \$232,337 for memberships and  
21 products, incurred \$73,285 in SBH-related expenses, earned \$242,631 in rewards from  
22 SBH, earned \$248,804 from reselling SBH products, and personally consumed \$85,941  
23 of product. (Ex. 15 ¶ 32.) Over their collective 212 months in SBH, they netted on  
24 average, \$93.50 per month (or, \$36 per month by excluding the top affiliate). (Ex. 15 ¶¶  
25

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26  
27 <sup>9</sup> Harris testified 3% of affiliates were “3s” seeking financial freedom, the ultimate  
28 SBH achievement. (Ex. 30 at 127:13-22.) That equates to 209 affiliates; together, they  
netted \$417,691, or \$1,998 per affiliate on average for their entire tenure. (Ex. 15 ¶ 21.)

1 32-33.) Finally, post-TRO, with recruiting incentives gone, only 45 of the 106 pro-  
 2 Defendant affiliates made a SBH purchase, demonstrating the lack of actual personal use,  
 3 or retail demand, for SBH products. (Ex. 15 ¶¶ 26-27.) The 45’s collective spending on  
 4 products also dropped from \$772 per day pre-TRO to \$236 per day post-TRO. *Id.*

5 Affiliates’ testimony reinforces what the data shows: Defendants prey on  
 6 consumers and push them to turn over what savings they may have and go deeper into  
 7 debt. *See* Ex. 18 at 90-94 (quoting examples). The results are devastating. One affiliate  
 8 quit her job of 27 years to follow Noland after being cleared to become a SBH  
 9 “Founder,” only to lose \$10,000, have to quit, and struggle to make half of what she did  
 10 before at a new job. (Ex. 9 ¶¶ 4, 11; *see also* Ex. 22 at 90:17-91:24, 97:2-99:2 (life  
 11 savings gone); Ex. 4 (\$47,180 lost; family ties severed); Ex. 25 at 6:6-7, 158:10-23 (sold  
 12 home to go “all-in with SBH,” ended up bankrupt); Ex. 6 at 1 (credit damaged).)

13 By contrast, the Individual Defendants did great. They paid \$5,690 to SBM (net  
 14 of product credits), yet received \$1.7 million from it, far more than anyone else. (*See* Ex.  
 15 15 ¶ 13; Ex. 16 ¶ 23; *cf.* Ex. 30 at 29:3-17 (Harris: in part, “a pyramid scheme would be  
 16 . . . only the people at the top can make money).)

#### 18 **IV. THE DEFENDANTS**

19 Defendants conduct their schemes through three corporate entities: **Success By**  
 20 **Media LLC** (“Success By Media” or “SBM”), **Success By Media Holdings Inc.** (“SBM  
 21 Holdings”), and **Enhanced Capital Funding** (“ECF”). (Doc. 222 ¶¶ 1, 6 (admitting in  
 22 part SAC ¶¶ 14, 145).) SBH is an “unincorporated division” of Success By Media, which  
 23 itself is a wholly owned subsidiary of SBM Holdings. (Doc. 222 ¶ 1 (admitting SAC  
 24 ¶¶ 6-7).) Success By Media and SBM Holdings “operat[e] as one corporation.” (*id.*  
 25 ¶ 142). ECF operated as a conduit by which the Nolands paid themselves money from  
 26 Success By Media. (Doc. 163 Ex. A ¶ 12; Doc. 8-22 at 13, ¶18). Since July 1, 2017,  
 27 97.6 % of all credits to ECF bank accounts referenced Success By Media. (Doc. 163-1 at  
 28

1 6.) Lina Noland viewed the ECF account as a “personal account,” and used it for things  
2 like “groceries” and swim lessons. (Ex. 388 at 112:21-113:12, 116:21-117:14.)

3 Defendants attribute some of the SBM-to-ECF transfers to a “Royalty Agreement”  
4 through which ECF purportedly allowed SBM to use ECF’s product formulas. That  
5 “agreement,” however, was not negotiated at arm’s length. (Ex. 28 at 125:11-22.) Other  
6 transfers are “loans” for which there is no documentation. (Doc. 163-3 at 3; Ex. 28 at  
7 49:13-50:2.) Defendants claim that ECF “manages” Jay Noland’s books and training  
8 series and licenses the rights to SBM, though no such written agreement exists. (Doc.  
9 163-1 at 13, 15-16, 21; Doc. 163-2 at 2-3; Ex. 390 at 124:24-125:10.) The Individual  
10 Defendants admit the Corporate Defendants “have operated in a common enterprise” and  
11 “commingled funds and have or had common ownership, officers, managers, business  
12 functions, and office locations.” (Doc. 222 ¶ 6 (admitting in part SAC ¶ 14).)

13 **Jay and Lina Noland** were directors of SBM Holdings (Doc. 8-1 at 72) and the  
14 sole managers of Success by Media (*id.* at 68). The Nolands also were the sole  
15 signatories on the Corporate Defendants’ shared bank accounts. (Doc. 8-24 at 3, 6, 15;  
16 Doc. 8-24 at 4.) Jay Noland is the majority owner of SBM Holdings and serves as its  
17 CEO and as the CEO of Success by Media. (Doc. 8-20 at 135, 137, 139, 151.) He also  
18 identifies himself as the CEO of Success By Health. (Doc. 8-2 at 36.) Lina Noland  
19 identifies herself as “Co-Owner at Success By Health.” (Doc. 8-13 at 187; Ex. 31 at 30:4  
20 (describing self as “the owner of the company”).) The Nolands were involved in  
21 “product development, website development, sales, [and] overseeing management.”  
22 (Doc. 222 ¶¶ 1, 7 (admitting in part SAC ¶¶ 15, 41).) From the “start,” Lina Noland  
23 “[took] charge and supervised” SBM’s product shipping and customer service  
24 department. (Ex. 31 at 20:6–21:7, 33:3-5). She also developed an SBH magazine for  
25 recruiting, worked to expand SBH to Spanish-speakers, and regularly posted to the SBH  
26 Facebook group to promote SBH. (Doc. 8-14 at 141-149; Doc. 8-15 at 2.)

27 **Scott Harris and Thomas Sacca** held senior roles in SBH from the start and were  
28

1 pivotal in its launch. (Doc. 8-14 at 23 (18:8-20:20).) Harris served as senior field  
2 advisor and president of SBH and SBM, and on the board of SBM Holdings. (Doc. 222 ¶  
3 5 (admitting in part SAC ¶ 12); Ex. 29 at 46:11-19.) Sacca served as senior field advisor,  
4 chief sales officer, and chief visionary officer for the same entities. (Doc. 222 ¶ 5  
5 (admitting in part SAC ¶ 13).) They made the above-described false income claims in  
6 hundreds of company calls and gatherings. (Doc. 8-1 at 29, 43 (¶¶ 44, 61).)

7 Each of the Individual Defendants admit they “had knowledge of, formulated,  
8 directed, controlled, had the authority to control, or participated in, the acts and practices  
9 of” the Corporate Defendants. (Doc. 222 ¶ 7 (admitting in part SAC ¶ 15).) They also  
10 each admit to promoting recruitment into SBH and developing or revising SBH’s  
11 commission plan. (Doc. 222 ¶¶ 1, 5-7 (admitting in part SAC ¶¶ 10-15, 36, 43).)

### 12 LEGAL STANDARD

13 “Summary judgment is appropriate when ‘there is no genuine dispute as to any  
14 material fact and the movant is entitled to judgment as a matter of law.’” *Rookaird v.*  
15 *BNSF Railway Co.*, 908 F.3d 451, 459 (9th Cir. 2018) (quoting Fed. R. Civ. P. 56(a)).  
16 “Where,” as here, “the moving party will bear the burden of proof on an issue at trial, the  
17 movant must affirmatively demonstrate that no reasonable trier of fact of fact could find  
18 other than for the moving party.” *Soremekun v. Thrifty Payless, Inc.*, 509 F.3d 978, 984  
19 (9th Cir. 2007). “If the moving party meets its initial burden, the non-moving party must  
20 set forth, by affidavit or as otherwise provided in Rule 56, specific facts showing that  
21 there is a genuine issue for trial.” *Id.* (quotation marks omitted).

### 22 ARGUMENT

23 The undisputed facts prove that (1) SBH and VOZ were pyramid schemes, (2)  
24 Defendants promoted those schemes using false claims that affiliates could reasonably  
25 expect to earn substantial income (including financial freedom) by following Defendants’  
26 instructions, (3) Defendants provided affiliates the means and instrumentalities to violate  
27 the FTC Act, (4) Defendants violated the Merchandise Rule by failing to timely ship  
28

1 products or provide refunds, and (5) Defendants violated the Cooling-Off Rule by failing  
 2 to offer a three-day right of rescission on sales taking place at events. Additionally, the  
 3 undisputed facts establish that the Corporate Defendants are all liable for these violations  
 4 because they are a common enterprise, and the Individual Defendants are all liable  
 5 because they directly participated in, had authority to control, and had knowledge of the  
 6 Corporate Defendants' unlawful acts.

7 **I. DEFENDANTS VIOLATED THE FTC ACT BY OPERATING THE SBH**  
 8 **AND VOZ PYRAMID SCHEMES.**

9 Section 5(a) of the FTC Act prohibits “unfair or deceptive acts or practices in or  
 10 affecting commerce.” 15 U.S.C. § 45(a). Operating a pyramid scheme violates § 5(a).  
 11 *FTC v. BurnLounge, Inc.*, 753 F.3d 878, 880 (9th Cir. 2014) (citing *In re Koscot*  
 12 *Interplanetary, Inc.*, 86 F.T.C. 1106, 1178, 1181 (1975)). To prove that the Defendants’  
 13 operated a pyramid scheme, the FTC must show participants paid money to SBM “in  
 14 return for which they receive[d] (1) the right to sell a product and (2) the right to receive  
 15 in return for recruiting other participants into the program rewards which are unrelated to  
 16 sale of the product to ultimate users.” *Id.* at 883. The undisputed evidence establishes  
 17 both elements for SBH and VOZ. In addition, Dr. Bosley independently reviewed SBH  
 18 and VOZ and found them to be pyramids in her expert opinion. (Ex. 18.)<sup>10</sup>

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21 <sup>10</sup> Defendants presented a “Fraud Expert Report” that the FTC plans to move  
 22 under *Daubert* to exclude. It is by an SBH affiliate and VOZ Founder who determined  
 23 SBH is not “fraudulent” even though he—has never been an expert, has no academic  
 24 training or work experience in economics or pyramids or MLMs, declared his “closest  
 25 case” to this one was “completely different,” did not review the data that Dr. Bosley did  
 26 (and wrongly declared she didn’t review any either), was “[n]ot sure there would be a  
 27 specific method” he used in his analysis, had not applied (or read) *Omnitrition* or  
 28 *BurnLounge*, was unfamiliar with inventory loading and safeguards, and had gifted his  
 services to Defendants and admitted that (in his view) he may make money through SBH  
 if Defendants win. Ex. 33 at 18:12-19, 21:11-24:2, 43:18-24, 61:24-62:3, 68:6-8, 72:17-  
 21, 74:11-13, 97:2:9, 112:1-15, 141:25-142:16, 174:18-24, 177:1-180:25, 183:4-184:23,  
 186:8-13, 196:21-23, 201:11-20, 214:5-7, 229:18-25, 261:12-16.

1           **A. Success By Health Is a Pyramid Scheme.**

2                   **1. Prong 1: Participants Pay Money for the Right to Sell Products.**

3           The first prong of the pyramid test can be satisfied “by a required purchase to  
4 become a distributor” or a “required purchase of non-returnable inventory to receive the  
5 full benefits of the program.” *FTC v. Vemma Nutrition Co.*, 2015 WL 11118111, at \*3  
6 (D. Ariz. Sept. 18, 2015). Where the “bonus structure and training materials are designed  
7 to make new Affiliates buy a [product pack],” payment for the right to sell the company’s  
8 product may be considered a “practical” requirement that satisfies the first *Koscot* prong.  
9 *Id.* at \*4. SBH satisfies the first prong of the *Koscot* test both through its \$49 annual fee  
10 and its strongly encouraged upfront non-refundable pack purchases. (Ex. 424 at 3-4.)

11           First, SBH affiliates must pay \$49 annually to become and remain affiliates. *See*  
12 *supra* p. 3. The fee entitles them to “sell” SBH products through an SBH website unique  
13 to them. *See supra* p. 6. This satisfies the first element of the pyramid test. *See*  
14 *BurnLounge*, 753 F.3d at 883 (\$29.95 for “ready made . . . web page” to sell products).

15           Second, Defendants drove new affiliates to purchase non-refundable product  
16 packs. *See supra* pp. 7-8, 13. This requirement also satisfies the first prong because the  
17 purchase of a product pack is a “practical” requirement for full participation in the  
18 program. *See Vemma*, 2015 WL 11118111, at \*4.

19                   **2. Prong 2: Success By Health Participants Pay Money in Return**  
20                   **for the Right to Receive Recruiting-Based Rewards.**

21           The second prong of the test is “the *sine qua non* of a pyramid scheme” and  
22 requires proof that affiliates receive rewards based on recruiting new participants rather  
23 than selling products to ultimate users. *See BurnLounge*, 753 F.3d at 883-84. Rewards  
24 are “facially unrelated to the sale of the product to ultimate users [when they are] paid  
25 based on the suggested retail price of the amount *ordered from* [the company], rather than  
26 based on *actual sales to consumers.*” *Webster v. Omnitrition Int’l, Inc.*, 79 F.3d 776, 782  
27 (9th Cir. 1996) (emphasis in original); *FTC v. Equinox Int’l Corp.*, 1999 WL 1425373, at  
28



1 \*6 (D. Nev. Sept. 14, 1999) (same). In short, the second prong is met when “rewards are  
2 received by purchasing product and recruiting others to do the same.” *Equinox*, 1999 WL  
3 1425373, at \*6.

4 The FTC need not prove that rewards are “*completely* unrelated to product sales,”  
5 and a company cannot “save itself from liability by engaging in some retail sales.”  
6 *BurnLounge*, 753 F.3d at 885-86 (emphasis added). As a result, a company is a pyramid  
7 scheme if “the rewards the participants received in return were *largely* for recruitment,  
8 not for product sales.” *Id.* at 886 (emphasis added). Thus, for example, a pyramid  
9 scheme exists where the “mere structure of the scheme suggests that [the company’s]  
10 focus was in promoting *the program* rather than selling *the products*.” *Id.* at 884.

11 Additionally, sales to consumers within the program (here, affiliates) are not  
12 considered ultimate-user sales if those affiliates would not have purchased the products  
13 but for the income opportunity. *Vemma*, 2015 WL 11118111, at \*3. Thus, “when  
14 evaluating whether a company’s rewards are based primarily on recruitment or sales to  
15 ultimate users, courts also consider whether the company has promulgated, and  
16 effectively enforced, policies to prevent inventory loading.” Doc. 106 at 14 (citing  
17 *Omnitrition*, 79 F.3d at 783; *Vemma*, 2015 WL 11118111, at \*4; *Bostick v. Herbalife*  
18 *Int’l of Am., Inc.*, 2013 WL 12131732, at \*4 (C.D. Cal. Oct. 11, 2013)).

19 Here, Affiliates’ rewards are based almost exclusively on recruiting rather than  
20 retail sales because (1) Defendants pay rewards based entirely on recruiting or *purchases*  
21 *from* SBH, rather than *sales to* ultimate users, (2) defendants encourage affiliates to  
22 recruit to max their earnings, and (3) Defendants employ no safeguards to prevent, and in  
23 fact encourage, inventory loading. The post-TRO collapse in SBH product sales  
24 confirms that recruiting incentives drove purchases, rather than legitimate demand.

25  
26 *First*, SBH is facially a pyramid scheme because it does not condition *any* of its  
27 rewards on whether affiliates sell products to ultimate users. Rather, it pays affiliates  
28

1 based on amounts ordered from the company, without regard to who is ordering or for  
2 what purpose, and recruiting. *See supra* p. 7; Doc. 8-5 at 37-42; Doc. 222 ¶ 1 (admitting  
3 SAC ¶ 26). In this respect, SBH is indistinguishable from others found to be or likely to  
4 be pyramids. *Omnitrition*, 79 F.3d at 782; *Equinox*, 1999 WL 1425373, at \*6; *Vemma*,  
5 2015 WL 11118111, at \*4.

6 In fact, SBH is in a worse position because Defendants *admit* that SBH treats *no*  
7 purchases from the company as sales to ultimate users. Defendants, for example, refuse  
8 to collect any sales tax for this reason. (Exs. 80, 87.) Noland trained affiliates that  
9 purchases from SBH—*i.e.*, the “sales” that paid commissions—are “Not Retail” (Ex.  
10 374) and swore to the IRS that SBM’s business was “sell[ing] to wholesale distributors”  
11 (Ex. 88 at 5; *see also* Ex. 72 (“wholesale company first and foremost”).)

12 *Second*, Defendants incentivize recruiting over ultimate-user sales. Tellingly, they  
13 expressly instruct affiliates that recruiting is the key to financial freedom. *See supra* pp.  
14 9-10. Internally, they admit recruiting is their “MAIN FOCUS,” and their commission  
15 plan and training materials reflect this focus. *See supra* pp. 9-10.<sup>11</sup> Many rewards pay  
16 consumers cash in direct exchange for recruiting new members who buy packs. *See*  
17 *supra* pp. 7-8. Others rewards—such as the percentage-based “residual team  
18 commissions”—in theory could be based on online sales at wholesale price to non-  
19 affiliates through an affiliates’ website (on which affiliates receive a commission), but in  
20 practice are not. *See supra* pp. 7, 21-23, *infra* p. 30. Instead, affiliates must build  
21 extensive downline teams to obtain meaningful income. *See supra* pp. 7-10.

22 While economic modeling or analysis of a company’s or its affiliates’ data are not  
23 necessary, courts have relied on much more limited sets of data than the FTC has  
24 provided here in finding companies to be or likely to be a pyramid. *See Omnitrition*, 79  
25

26  
27  
28 

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<sup>11</sup> SBH’s “four steps to success” matches the four from Vemma, found likely to be  
a pyramid. *Compare* 2015 WL 11118111, at \*1-2, *with supra* p. 8.

1 F.3d 776 (no data); *Equinox*, 1999 WL 1425373 (same); *BurnLounge*, 753 F.3d at 888-  
2 89 (upholding use of “mathematical projections and formulas”); *Vemma*, 2015 WL  
3 11118111, at \*2 (71% of sales were to Vemma distributors, nearly three-fourths of whom  
4 received a commission did not earn enough from Vemma to recoup their investments).  
5 The evidence in this case is compelling. More than 94% of product purchases from SBH  
6 were by affiliates, and over 94% of affiliates did not earn enough compensation to recoup  
7 their costs based on their purchase and reward activity. (Ex. 15 ¶¶ 15, 17.) Data from  
8 affiliates about their retail sales, personal consumption, and expenses demonstrate the  
9 financially terrible outcome for consumers. *See supra* pp. 21-23.

10 *Third*, rather than safeguards to protect against inventory loading, Defendants  
11 employed “anti-safeguards.” They enforced a no-refund policy, had no requirement to  
12 sell to ultimate users, and had no policy to verify affiliates’ sales to ultimate users. *See*  
13 *supra* p. 15. Worse yet, they actively encouraged inventory loading. *See supra* pp. 13-  
14 15. As a result, affiliate purchases—almost the sole basis for commissions—are divorced  
15 from demand and are not ultimate-user sales.

16 *Fourth*, the collapse of SBH product sales once the Receiver ended SBH’s  
17 recruiting incentives (Ex. 15 ¶ 26-27) confirms that it was those incentives, rather than  
18 demand for the products, that drove product purchases.

## 20 **B. VOZ Travel Is a Pyramid Scheme.**

### 21 **1. Prong 1: Participants Paid Money for the Right to Sell Products.**

22 As described *supra* pp. 17-18, consumers (VOZ “ETAs”) paid \$1,000-2,795 for  
23 the right (never actually realized) to sell discount travel to the public through the VOZ  
24 booking platform. This payment satisfies prong 1 of the pyramid test.

### 25 **2. Prong 2: VOZ Travel Participants Paid Money in Return for the 26 Right to Receive Recruiting-Based Rewards.**

27 Because Defendants’ product never actually existed, it is clear the rewards they  
28 offered (and paid) were based “largely”—in fact, entirely—on recruiting. *See supra* pp.

1 17-20. Tellingly, Defendants continued to offer these rewards even after their platform  
2 collapsed. *See supra* pp. 19-20.

3 Even if the booking platform did exist—and it were, therefore, theoretically  
4 possible to base rewards on ultimate-user sales—Defendants had no plan to do so.  
5 Instead, they simply planned to transfer the recruitment-focused SBH commission plan to  
6 VOZ. *See supra* p. 20. As in SBH, they were explicit about their asking affiliates to  
7 focus on recruiting—showing them that using a “team-building [recruiting] model”  
8 would yield vastly greater rewards than a “customer [non-recruiting] model.” (Doc. 8-18  
9 at 31-34.) Finally, Dr. Bosley affirms these findings. (Ex. 18 at 75-84.)

## 10 **II. DEFENDANTS’ FALSE INCOME CLAIMS VIOLATE THE FTC ACT.**

11 Defendants’ deceptive income claims violate the FTC Act’s prohibition against  
12 “deceptive acts or practices in or affecting commerce.” 15 U.S.C. § 45(a)(1). Deception  
13 occurs when: (1) defendants make a representation or omission; (2) that is likely to  
14 mislead consumers acting reasonably; and (3) that representation or omission is material  
15 to consumers’ purchasing decisions. *See, e.g., FTC v. Gill*, 265 F.3d 944, 950 (9th Cir.  
16 2001). The evidence here establishes all three elements.

17 *First*, Defendants promise that enrolling in SBH or VOZ and following their  
18 instructions allow consumers to earn substantial income, becoming financially free in 18  
19 months and reaping million-dollar monthly or yearly payouts. *See supra* pp. 2-6, 18-19.

20 *Second*, Defendants’ claims of substantial income are likely to mislead consumers  
21 because they are false. *See, e.g., FTC v. Pantron I Corp.*, 33 F.3d 1088, 1096 (9th Cir.  
22 1994) (false claims likely to mislead); *see also Resort Car Rental Sys., Inc. v. FTC*, 518  
23 F.2d 962, 964 (9th Cir. 1975) (“Advertising capable of being interpreted in a misleading  
24 way should be construed against the advertiser.”). The vast majority of consumers are  
25 mathematically doomed to fail (over 90%) no matter how hard they work. *See supra* p.  
26 21. Purchasing and commission data support this conclusion (94% failure rate). *Id.*  
27 Also, Defendants’ claims about Noland’s wealth and success of his trainees—which  
28

1 Defendants used to justify their misleading statements—are false. *See supra* pp. 3-5.

2 *Third*, Defendants’ misrepresentations are material. A claim is material “if it  
3 involves information that is important to consumers and, hence, likely to affect their  
4 choice of, or conduct regarding, a product.” *FTC v. Cyberspace.com, LLC*, 453 F.3d  
5 1196, 1201 (9th Cir. 2006). Courts presume express claims to be material. *See, e.g.,*  
6 *Pantron I*, 33 F.3d at 1095-96. Implied claims are also presumed material if they are  
7 “deliberately made,” *FTC v. Natural Solution, Inc.*, 2007 WL 8315533, at \*3 (C.D. Cal.  
8 Aug. 7, 2007), or if they “pertain to the central characteristics of the products or services  
9 being marketed,” *FTC v. John Beck Amazing Profits, LLC*, 865 F. Supp. 2d 1052, 1076  
10 (C.D. Cal. 2012). “Courts consistently conclude that misrepresentations regarding  
11 income potential are material.” *Vemma*, 2015 WL 11118111, at \*5 (citing *FTC v. Five-*  
12 *Star Auto Club, Inc.*, 97 F. Supp. 2d 502, 528-29 (S.D.N.Y. 2000)); *Nat’l Dynamics Corp.*  
13 *v. FTC*, 492 F.2d 1333, 1335 (2d Cir. 1974)).  
14

15 Here, Defendants make express claims relating to a “central characteristic” of  
16 SBH and VOZ—consumers’ projected incomes. Thus, the claims are presumed material.  
17 Even without this presumption, however, Defendants’ claims are material because their  
18 promises of substantial income plainly affect consumers’ purchasing decisions.

19 **III. DEFENDANTS PROVIDE AFFILIATES WITH MEANS AND**  
20 **INSTRUMENTALITIES TO VIOLATE THE FTC ACT.**

21 “Those who put into the hands of others the means by which they mislead the  
22 public, are themselves guilty of a violation of Section 5 of the [FTC] Act.” *Waltham*  
23 *Watch Co. v. FTC*, 318 F.2d 28, 32 (7th Cir. 1963). Defendants give affiliates materials  
24 with false income promises, including claims that affiliates are achieving “financial  
25 freedom” now and that such wealth is “achievable for the masses.” *See supra* pp. 2-5.

26 **IV. DEFENDANTS VIOLATE THE MERCHANDISE RULE BY FAILING TO**  
27 **OFFER AND PROVIDE REFUNDS**

28 The FTC’s Merchandise Rule requires merchants who are unable to deliver

1 internet orders within 30 days—or within any other time “clearly and conspicuously”  
2 stated during the ordering process—to provide affected customers with the opportunity to  
3 consent to a shipping delay or to cancel the order and receive a refund. 16 C.F.R.  
4 § 435.2(b)(1). If a merchant fails to seek consent and offer cancellation, or if any buyer  
5 requests cancellation, the merchant must provide a refund. 16 C.F.R. § 435.2(c)(1).

6 Defendants admit they violated the Merchandise Rule (Doc. 222 ¶¶ 1, 106-107  
7 (admitting in part SAC ¶¶ 170-173)), contesting only how frequently they did so.  
8 Because they did not clearly and conspicuously disclose a shipping date (*see supra* p. 15),  
9 they were obligated to ship products within 30 days. *See* 16 C.F.R. § 435.2(a)(1). There  
10 is no dispute that, for at least \$570,000 in product sales, however, Defendants waited  
11 beyond 30 days to ship orders, if they ever did so. *See supra* pp. 15-16. Instead of  
12 offering and providing the required refunds, Defendants mocked, threatened, and even  
13 sued those who sought refunds or asked about delayed orders. *See supra* pp. 15-16.

14  
15 **V. DEFENDANTS VIOLATE THE COOLING-OFF RULE BY FAILING TO**  
16 **INFORM CONSUMERS OF THEIR RESCISSION RIGHTS.**

17 The FTC’s Cooling-Off Rule gives consumers the right to cancel, within three  
18 business days, any purchase of at least \$130 in goods or services (including “courses of  
19 instruction or training”) that occurs at a location other than the merchant’s place of  
20 business. 16 C.F.R. § 429.1(g). The Rule also requires the merchant to inform the buyer  
21 of this right, both verbally and in writing, 16 C.F.R. § 429.1(a), (e), and provide a form  
22 “Notice of Cancellation” that the buyer can use to cancel the sale, 16 C.F.R. § 429.1(b).

23 Defendants admit they violated the Cooling-Off Rule (Doc. 222 ¶ 1 (admitting  
24 SAC ¶ 181)), again challenging only the extent of their violations. Defendants made at  
25 least \$500,000 in \$130-plus sales of event tickets and product packs at their hotel-based  
26 events. (Ex. 14 ¶ 36.) Defendants failed to offer the required three-day right of  
27 rescission to anyone and, in effect, enforced an *anti*-Cooling-Off Rule by prohibiting  
28 refunds of any kind. *See supra* pp. 15-16.

1 **VI. THE CORPORATE DEFENDANTS ACTED IN A COMMON**  
2 **ENTERPRISE AND ARE JOINTLY AND SEVERALLY LIABLE.**

3 “When corporate entities operate together as a common enterprise, each may be  
4 held liable for the deceptive acts and practices of the others.” *FTC v. Grant Connect,*  
5 *LLC*, 763 F.3d 1094, 1105 (9th Cir. 2014). A common enterprise exists where there is  
6 “no real distinction among the companies” operating the scheme. *FTC v. J.K. Pub., Inc.*,  
7 99 F. Supp. 2d 1176, 1202 (C.D. Cal. 2000); *see also FTC v. Neovi, Inc.*, 598 F. Supp. 2d  
8 1104, 1116 (S.D. Cal. 2008) (listing factors considered, *e.g.*, “common control, sharing of  
9 office space and officers, whether business is transacted through a ‘maze of interrelated  
10 companies,’ the commingling of corporate funds, unified advertising, and any other  
11 evidence revealing that no real distinction existed between the corporate defendants”).

12 The Individual Defendants admit that the Corporate Defendants “operated as a  
13 common enterprise.” (Doc. 222 ¶¶ 6-7 (admitting in part SAC ¶¶ 14-15).) They also  
14 admit the Defendants satisfy the relevant factors, having “commingled funds” and shared  
15 “common ownership, officers, managers, business functions, and office locations.” (Doc.  
16 222 ¶ 6 (admitting in part SAC ¶ 14).) The undisputed facts support these admissions.

17 **VII. THE INDIVIDUAL DEFENDANTS ARE LIABLE FOR MONETARY AND**  
18 **INJUNCTIVE RELIEF.**

19 An individual defendant is liable for corporate defendants’ violations of the FTC  
20 Act or rules promulgated thereunder if that individual “had authority to control” the  
21 unlawful acts or “participated directly” in them. *FTC v. Publishing Clearing House, Inc.*,  
22 104 F.3d 1168, 1170 (9th Cir. 1997). A defendant is also liable for equitable monetary  
23 relief if he or she had knowledge of the unlawful acts. *Id.* at 1171. Here, both elements  
24 are satisfied for each of the Individual Defendants.

25 First, Defendants admit to their authority to control Defendants’ business practices  
26 or their participation in those practices. (Doc. 222 ¶ 7 (admitting in part SAC ¶ 15—that  
27 the Individual Defendants have “formulated, directed, controlled, had the authority to  
28

1 control, or participated in, the acts or practices of the [Corporate Defendants]”). Those  
2 admissions are supported by Defendants’ status as corporate officers, which evidence  
3 their authority to control. *See, e.g., FTC v. Transnet Wireless Corp.*, 506 F. Supp. 2d  
4 1247, 1270 (S.D. Fla. 2007) (status as a corporate officer gives rise to a presumption of  
5 ability to control a small, closely-held corporation). Each of the Defendants also  
6 participated in the unlawful acts by making income misrepresentations, recruiting  
7 participants, and developing SBH’s illegal commission plan. *See supra* pp. 24-25.  
8

9 Second, the Individual Defendants are monetarily liable for the Corporate  
10 Defendants’ unlawful acts because they knew of the acts. *See FTC v. Affordable Media*,  
11 179 F.3d 1228, 1234 (9th Cir. 1999). The knowledge prong can be met by proving actual  
12 knowledge, reckless indifference, or “awareness of a high probability of fraud” with  
13 “intentional avoidance of the truth.” *Publ’g Clearing House*, 104 F.3d at 1171. The  
14 Ninth Circuit has found liability where defendants’ “central involvement” in a scheme  
15 made them at least recklessly indifferent to whether the scheme’s “profit potential”  
16 claims were true, especially where the “promised yields . . . were so extraordinary that  
17 [they] should have been suspicious.” *Affordable Media*, 179F.3d at 1235-36.

18 Defendants admit to having “knowledge of . . . the acts and practices of the  
19 [Corporate Defendants].” (Doc. 222 ¶ 7 (admitting in part SAC ¶ 15).) The evidence  
20 also establishes the Individual Defendants’ “central involvement” and therefore  
21 knowledge. *See supra* pp. 24-25. This is especially true here, where all of the  
22 Defendants have been centrally involved in SBH scheme from the start. *Id.* As in  
23 *Affordable Media*, each at least should have investigated whether their promises of  
24 lucrative earnings were actually true.

### 25 CONCLUSION

26 For the foregoing reasons, the FTC respectfully requests that the Court enter  
27 summary judgment as to liability against all Defendants on all counts.  
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Dated: March 12, 2021

Respectfully submitted,

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7  
8 **IN THE UNITED STATES DISTRICT COURT**  
9 **FOR THE DISTRICT OF ARIZONA**

10 Federal Trade Commission,  
11 Plaintiff,  
12 v.  
13 James D. Noland, Jr., *et al.*,  
14 Defendants.

No. CV-20-0047-PHX-DWL

**TABLE OF EXHIBITS IN SUPPORT  
OF PLAINTIFF FEDERAL TRADE  
COMMISSION'S MOTION FOR  
SUMMARY JUDGMENT AS TO  
LIABILITY**

15  
16 **TABLE OF EXHIBITS**

MSJ Ex. No.	Description
1	<b>DVD OF AUDIO/VIDEO FILES</b> Exhibit 1-01: Jay Noland 04/21/2018 Exhibit 1-02: Scott Harris 04/22/2018 Exhibit 1-03: Jay Noland 04/22/2018 Exhibit 1-04: Jay Noland 04/22/2018 Exhibit 1-05: Jay Noland 06/24/2018 Exhibit 1-06: Jay Noland 10/13/2018 Exhibit 1-07: Jay Noland 10/13/2018 Exhibit 1-08: Scott Harris 04/23/2019 Exhibit 1-09: Scott Harris 04/27/2019 Exhibit 1-10: Jay Noland 04/27/2019

MSJ Ex. No.	Description
	Exhibit 1-11: Jay Noland & Tommy Sacca 04/27/2019 Exhibit 1-12: Jay Noland 04/27/2019
2	<b>DVD OF AUDIO/VIDEO AND EXCEL FILES</b> Exhibit 2-01: Jay Noland 09/06/2019 Exhibit 2-02: Jay Noland 09/06/2019 Exhibit 2-03: Jay Noland 09/06/2019 Exhibit 2-04: Jay Noland 09/06/2019 Exhibit 2-05: Jay Noland 09/06/2019 Exhibit 2-06: Jay Noland 09/07/2019 Exhibit 2-07: Jay Noland 09/07/2019 Exhibit 2-08: Jay Noland 09/07/2019 Exhibit 2-09: Jay Noland & Tony Potter 12/20/2019 Exhibit 2-10: Jay Noland & Duvan Botero 01/08/2020 Exhibit 2-11: CL001162 Exhibit 2-12: Affiliate Orders Workbook - “sbh-affiliate-orders-comms-totals-20200203.xls” Exhibit 2-13: SBH 2019 Yearend Report - “sbh-2019-yearend-reports-v20200202.xls”
3	Barnhouse Declaration 04/27/2020 (FTCSBM-0002227)
4	Myhrer Declaration 05/07/2020 (FTCSBM-0002228)
5	Kralapp Declaration 05/03/2020 (FTCSBM-0002229)
6	Ballard Declaration 05/22/2020 (FTCSBM-0003438)
7	S. Underhill Declaration (FTCSBM-0003956)
8	McMillan Declaration 03/05/2021
9	Wilder Declaration 03/09/2021
10	Van Liere Declaration 03/11/2021

<b>MSJ Ex. No.</b>	<b>Description</b>
11	Ibrahim Declaration 06/28/2019
12	Bose Declaration 07/11/2019
13	Wood Declaration 05/18/2020 (FTCSBM-0003439)
14	Rottner Declaration 03/12/2021
15	Miles Declaration 03/12/2021
16	Agarwal Declaration 03/11/2021
17	Trombley Declaration 03/12/2021
18	Expert Report of Stacie Bosley 12/23/2020
19	Rebuttal Expert Report of Stacie Bosley 02/04/2021
20	Intentionally omitted
21	Intentionally omitted
22	Excerpts from the Deposition of S. Underhill 08/11/2020
23	Excerpts from the Deposition of J. Underhill 08/11/2020
24	Excerpts from the Deposition of K. Sarzynski 08/12/2020
25	Excerpts from the Deposition of J. Johnson 08/13/2020
26	Intentionally omitted
27	Excerpts from the Deposition of L. Noland 02/04/2020
28	Excerpts from the Deposition of J. Noland, Jr. 02/05/2020
29	Excerpts from the Deposition of J. Noland, Jr. 12/14/2020
30	Excerpts from the Deposition of S. Harris 12/15/2020
31	Excerpts from the Deposition of L. Noland 12/16/2020
32	Excerpts from the Deposition of T. Sacca 12/18/2020

<b>MSJ Ex. No.</b>	<b>Description</b>
33	Excerpts from the Deposition of W. Raybourn 02/24/2021
34	Transcript - Jay Noland 12/04/2017
35	Transcript - Jay Noland 12/19/2017
36	Transcript - Jay Noland 02/14/2018
37	Transcript - Jay Noland 04/21/2018
38	Transcript - Scott Harris 04/22/2018
39	Transcript - Jay Noland 04/22/2018
40	Transcript - Jay Noland 04/22/2018
41	Transcript - Jay Noland 06/24/2018
42	Transcript - Jay Noland 10/13/2018
43	Transcript - Jay Noland 10/13/2018
44	Transcript - Jay Noland 11/23/2018
45	Transcript - Jay Noland 01/26/2019
46	Transcript - Scott Harris 04/27/2019
47	Transcript - Jay Noland & Thomas Sacca 04/27/2019
48	Transcript - Jay Noland 04/27/2019
49	Transcript - Jay Noland 04/27/2019
50	Transcript - Scott Harris 04/27/2019
51	Transcript - Scott Harris 05/31/2019
52	Transcript - Jay Noland 09/06/2019
53	Transcript - Jay Noland 09/06/2019
54	Transcript - Jay Noland 09/07/2019

<b>MSJ Ex. No.</b>	<b>Description</b>
55	Transcript - Jay Noland 09/07/2019
56	Transcript - Jay Noland 09/07/2019
57	Transcript - Jay Noland 10/05/2019
58	Transcript - Jay Noland 10/20/2019
59	Transcript - Thomas Sacca 12/17/2019
60	Transcript - Jay Noland 12/20/2019
61	Transcript - Jay Noland and Duvan Botero 01/08/2020
62	Transcript - Thomas Sacca 08/31/2019
63	Transcript - Jay Noland 04/04/2019 (FTCSBM-0000246)
64	Transcript - Jay Noland 05/01/2019 (FTCSBM-0000252)
65	Excerpts from ICON PowerPoint Slide Deck (CL007329)
66	Excerpts from 2018 SBH Kickoff PowerPoint Slide Deck (CL005699)
67	Excerpts from SBH Bootcamp PowerPoint Slide Deck (CL006303)
68	Excerpts from RED PowerPoint Slide Deck (CL007033)
69	Email from SBH to Sarah Jolicoeur re: 10 Affiliates added for promotion, 09/30/2018
70	Email from Robert Mehler to SBH, re: USA Tour, 01/07/2019
71	Email from Rylie to Lorenzo Valentini re: Tickets, 12/27/2017
72	Email from SBH to Lina Noland re: Tickets, 05/30/2018
73	Email from Lina Noland to Andrea Selby re: Tickets, 07/31/2019

MSJ Ex. No.	Description
74	Email from Donna Stacy to Thomas Sacca re: G-burn sale price, 01/05/2020
75	Email from Jay Noland to Scott Harris re: UPC Codes, 07/23/2018 (CL035445)
76	Email from Julian to Scott Harris re: SBH Retail Qs, 08/12/2018
77	Email from Rylie Qualls to Jay Noland re: termination letter, 02/07/2018 (CL020575)
78	Email from Lorenzo Valentini to Lina Noland re: Tickets, 03/14/2019
79	Email from Valorie Noel to Scott Harris re: missing half of founders pack, 08/12/2018
80	Email from Jay Noland to Paul Garner re: update, 05/09/2017 (CL033069)
81	Email from Scott Harris to Andrea Selby re: shipping issues, 11/29/2019
82	Email from Birgit Bonin to SBH re: auto order and GA package, 12/27/2019
83	Email from Scott Harris to Andrea Selby re: assistance with auto-order, 11/15/2018
84	Email from Crystal Roney to Jay Noland re: Internal Reporting, 08/26/2019 (CL085122)
85	VOZ Presentation "Owning the Keys to the Castle"
86	Email from SBH to Isabel H re: I got mine, 12/18/2019 (FTCSBM-0003697)
87	Email from Kim Friday to Evan Mendelson re: sales tax email, 05/06/2020
88	Email from Jay Noland to Daniel Pilla re: tax resolution

MSJ Ex. No.	Description
	letter declaration, 11/20/2018 (Dep. Ex. JN 10)
89	Email from Jay Noland to Daniel Pilla re: My stance, 08/19/2018 (Dep. Ex. JN 10)
90	Email from Lina Noland to Andrea Selby re: SBH kick off price form, 11/10/2017 (Dep. Ex. LN 01)
91	Email from Lina Noland to Andrea Selby re: Red-form Generic, 01/25/2018 (Dep. Ex. LN 02)
92	Email from Lina Noland to Andrea Selby re: Red-form 2019, 04/18/2018 (Dep. Ex. LN 03)
93	Email from Lina Noland to Andrea Selby re: SBH kick off 2019, 07/21/2018 (Dep. Ex. LN 04)
94	Email from Lina Noland to Andrea Selby re:Red-2019 form, 09/11/2018 (Dep. Ex. LN 05)
95	Email from Lina Noland to Andrea Selby re:Red-2019 form, 01/19/2019 (Dep. Ex. LN 06)
96	Email from Lina Noland to Andrea Selby re: SBH Global Ambassador PackApp, 01/24/2019 (Dep. Ex. LN 07)
97	Email from Lina Noland to Andrea Selby re: Red-2020 form, 04/22/2019 (Dep. Ex. LN 08)
98	Email from Lina Noland to Andrea Selby re: kickoff2020 form, 09/05/2019 (Dep. Ex. LN 09)
99	Email from Jay Noland to Lina Noland re: as requested by you, 10/29/2018 (Dep. Ex. LN 12)
100	Email from Mike to SBH re: pre-order gourmet rooibos tea, 03/26/2018 (Dep. Ex. LN 18)
101	Email from Tony Potter to Lina Noland re: SBH 2018-11 Paid As, 11/01/2018 (Dep. Ex. LN 19)



MSJ Ex. No.	Description
102	Email from Warehouse to Lina Noland re: founders amounts we owe, 03/13/2018 (Dep. Ex. LN 21)
103	Email from Lorenzo Valentini to Andrea Selby re: Ticket Joshua Motes, 07/02/2019 (Dep. Ex. SH 18)
104	Email from SBH leaders to SBH leaders re: pre-core team expectations, 08/02/2019
105	Email from Scott Harris to Jay Noland re: Amazon sales policies, 08/02/2019
106	Email from Jay Noland to Tony Potter re: VOZ White Label, 12/16/2019 (Dep. Ex. JN 17)
107	Email from Craig Morganson to Jay Noland re: Request to transfer VOZ ownership, 01/06/2017 (Dep. Ex. JN 18)
108	Email from Tony Potter to Jay Noland re: Sept 2018 Ranks, 10/01/2018 (Dep. Ex. JN 26)
109	Email from Scott Harris to Jay Noland re: Bullet points for call, 10/01/2018 (Dep. Ex. SH08)
110	Email from Scott Harris to Jay Noland re: Blitz call criteria, 09/05/2018 (Dep. Ex. SH09)
111	Email from Jay Noland to Scott Harris re: Amazon Q, 08/28/2018 (Dep. Ex. SH16)
112	Email from Thomas Sacca to Jay Noland re: Where he's located, 08/28/2018 (Dep. Ex. TS08)
113	Excerpts from ICON Presentation PowerPoint Slide Deck
114	Compilation of CORE Team Applications by SBH Affiliates (Dep. Ex. TS13)
115	Courier Journal Excerpts (Dep. Ex. TS44)
116	Email from Donna Stacy to Thomas Sacca re: G-burn sale price, 01/05/2020 (Dep. Ex. TS34)

MSJ Ex. No.	Description
117	Email from Scott Harris to Thomas Sacca, Duvan and Matt re: Bullet points for 3/4 way calls, 12/28/2019 (Dep. Ex. TS39)
118	Email from Lina Noland to SBH Warehouse re: Chai Tea orders on backorder, 11/07/2018
119	Email from Jay Noland to Steve Wright re: approval for funds, 10/03/2018
120	Email from Robert Mehler to Jay Noland re: USA Tour Challenge, 06/30/2019
121	Email from Lina Noland to Jay Noland re: Hot Cocoa and Rooibos Tea Pre-Orders Spreadsheet, 11/24/2018
122	Email from Jay Noland to Tony Potter re: Create Urgency for New System, 08/30/2019
123	Email from info@sbhleaders.com to Jay Noland & Scott Harris re: Pre-Core Team Expectations, 08/02/2019
124	Email from Ann Giles to SBH re: SBH Core Submissions, 04/19/2018
125	Email from Tim Pennington to Evan Mendelson re: FTC v. Noland, 10/08/2020
126	Email from Facebook to Thomas Sacca re: Post Tag by Jay Noland, 09/11/2019
127	Email from SBH to Scott Harris re: VOZ pack, 12/04/2019 (CL068104)
128	Email from Facebook to Thomas Sacca re: Post Tag by Jay Noland, 12/27/2019 (CL026548)
129	Email from Jay Noland to Duvan Botero re: sales department response, 01/09/2020 (CL028690)
130	Intentionally omitted

MSJ Ex. No.	Description
131	Supplemental Responses to FTC's First Interrogatories and Requests for Production
132	Second Supplemental Responses to FTC's First Interrogatories and Requests for Production
133	SBH Facebook clipping on VOZ (Dep. Ex. JN 15)
134	Facebook clipping of VOZ cash promotion post (Dep. Ex. JN 19)
135	Facebook clipping of CORE member post (Dep. Ex. JN 29)
136	Facebook clipping of CORE requirements (Dep. Ex. TS12)
137	Facebook Post by Jay Noland 01/10/2019
138	Facebook Post by Jay Noland 04/13/2018
139	Facebook Post by Jay Noland 07/13/2018
140	Facebook Post by Jay Noland 08/13/2018
141	"End of Volume Month" Email and Facebook Post Compilation
142	Declaration of Kimberly Friday, Receiver 03/10/2021
143	Employment Agreement (Dep. Ex. SH06)
144	Social Media Posting of Derogatory Info Meeting (Dep. Ex. SH12)
145	Transcript - Jay Noland 2/04/2017
146	Transcript - Jay Noland 09/21/2018
147	Transcript - Jay Noland 10/3/2018 (The transcript incorrectly refers to the date as 10/03/2019)

MSJ Ex. No.	Description
148	SBH Global Ambassador Program Information (FTCSBM-0000492)
149	Email from Jay Noland to Eve re: Founders Club Application, 08/29/2017 (CL016630)

Dated: March 12, 2021

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