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7
8 **UNITED STATES DISTRICT COURT**

9 **FOR THE SOUTHERN DISTRICT OF CALIFORNIA**

10 Dennis Gray, individually and on
behalf of all others similarly situated,

11 Plaintiff,

12 v.

13 TALK FUSION, INC., a Florida
14 Corporation, TALK FUSION
INTERNATIONAL, INC., a Florida
15 Corporation, MANE WORLD
16 PRODUCTIONS, INC., an Oregon
Corporation, and ROBERT REINA, a
resident of Florida.

17 Defendants

) Case No. '15CV2665 LAB JLB

)
)
) **COMPLAINT AND DEMAND**
) **FOR JURY TRIAL**

) **CLASS ACTION**

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2 **I. INTRODUCTION**

3 1. Talk Fusion is a pyramid scheme disguised as a multi-level marketing
4 (“MLM”) company offering supposedly “revolutionary” and “patent-pending”
5 video-conferencing technology. In marketing materials, prospective recruits are told
6 to imagine being involved at the beginning of “Apple, Facebook, Twitter, or
7 Microsoft.”¹² (Exs. 1, 2) They are told that Talk Fusion has “exclusive rights” to a
8 “new and revolutionary” technology. In addition, they are informed that Talk Fusion
9 is paying people around the world to market this supposed “new and revolutionary”
10 ability to video conference across different platforms (such as Windows and Android
11 operating systems). Talk Fusion further states to prospective recruits, that this is their
12 chance to get in at the beginning of a “billion-dollar” company.

13 2. Participants in this alleged MLM (“Associates”) pay Talk Fusion a \$39.00
14 signup fee, and are **required** to purchase product packages ranging from \$250 to
15 \$1,499 (as well as pay a monthly storage fee that ranges from \$35 to \$215 a month),
16 for the right to participate in the “Talk Fusion Opportunity.” (See Exs. 2, 22). The
17 Talk Fusion “business opportunity” entitles the Associate to receive bonuses and
18 commissions for recruiting new Associates and selling Talk Fusion products and

19 _____
20 ¹ <http://1864570.jointalkfusion.com/default.asp>

² <https://www.youtube.com/watch?v=zspMq8sAnEc>

1 services. Potential prospects are told they will be selling a “revolutionary
2 technology” that provides them a lifetime residual income: “Money coming in week
3 after week, month after month, for years to come. *True residual income that I like*
4 *to call the sitting-on the-beach-money.* Because it could be going into your cash-
5 card account even when your sun-bathing on the beach.”³

6 3. The majority of Talk Fusion’s products are individually available for free (or
7 at much lower monthly rates than Talk Fusion) on the Internet, through
8 commonplace programs such as Skype, YouTube, and Google. Additionally,
9 nationally-recognized, long-standing brands such as Adobe, Webex, Centrix, and
10 Cisco offer a product similar to Talk Fusion’s--without the \$250, \$750, and \$1,450
11 signup fees. Talk Fusion is able to sell its “business opportunity” by misleading
12 prospective Associates into believing they are getting in on the beginning of the
13 “biggest invention in the history of the internet:” videoconferencing.⁴ They are
14 reminded that “incredible opportunities like this only come once in a lifetime.”⁵
15 “Timing is everything.”⁶ According to recruitment videos, the world was
16 disconnected before the existence of Talk Fusion Connect. “If you had Skype you

18 ³ <https://www.youtube.com/watch?v=bPONZGj4cl0>

19 ⁴ <https://www.youtube.com/watch?v=zspMq8sAnEc>

20 ⁵ Id.

⁶ Id.

1 had to talk to Skype users, if you had iPhone and wanted to FaceTime, you had to
2 have Apple iPhone with FaceTime. The world was disconnected. Until now. Talk
3 Fusion Connect allows people to communicate directly with anyone and on any
4 device with no 3rd party software.”⁷ According to the announcer, “this is exciting,
5 but you have to have the right financial horsepower behind you, and have the right
6 company to be successful in marketing a new technology,” like the one Talk Fusion
7 possesses.⁸

8 4. Recruits are told that Talk Fusion is in the process of building a “billion-dollar
9 brand” like Skype, Cisco, YouTube, Facebook, or Netflix, and that “Now Is the Time
10 to Be Part of the Next Big Thing.” (Ex. 1) According to Talk Fusion’s promotional
11 videos, Talk Fusion: has been around since 2007; has a proven track record of
12 success (“within three years at our current growth rate, we’ll be a billion dollars a
13 year in revenue”⁹); is the “number-one fastest growing home-based business in the
14 world (“there’s only one number one—and that’s us.”)¹⁰; and is a prestigious
15 member of the Direct Sellers Association (“the crème of the crop, you have to be
16 selected”), with an A+ rating by the BBB.¹¹ Its founder and CEO, Robert Reina, is

17 ⁷ <http://1864570.jointalkfusion.com/default.asp>

18 ⁸ <https://www.youtube.com/watch?v=etPVRFRhRgE>

19 ⁹ <https://www.youtube.com/watch?v=hVQ7qpjYnFY>

20 ¹⁰ <https://www.youtube.com/watch?v=hVQ7qpjYnFY>

¹¹ <https://www.youtube.com/watch?v=etPVRFRhRgE>

1 an ex-police officer with over 20 years of experience in relationship marketing as a
2 multiple seven-figure earner with multiple companies.¹² Beyond selling video-email
3 and videoconferencing, Talk Fusion sells Associates “a dream” of financial
4 prosperity.¹³ (Ex. 3). New recruits are told: “Give us your Dreams, we’ll take care
5 of the rest.” (Ex. 3).

6 5. However, the supposed path to financial prosperity through the Talk Fusion
7 Opportunity is not based on selling videoconferencing technology. Because Talk
8 Fusion’s prices and signup fees are extraordinarily high, retail sales are not feasibly
9 profitable. With little-to-no name recognition, Talk Fusion Associates’ jobs are
10 made even more difficult in their attempt to earn meaningful sales commissions.
11 Many of the supposed competitors of Talk Fusion, in the area of business
12 videoconferencing, have never even heard of the company. For example, sales
13 associates at Go To Meeting, Webex, and Intercall had never heard of Talk Fusion.
14 Additionally, Talk Fusion’s name failed to appear in an article published by “PC
15 Magazine” that detailed the top videoconferencing software products and companies
16 of 2015.¹⁴ This lack of name recognition precludes Associates from selling Talk

18 ¹² <https://www.youtube.com/watch?v=etPVRFRhRgE>

19 ¹³ “The benefits of innovation are no longer limited to bosses and boardrooms.
They are granted to people like you- who stop at nothing, and relentlessly pursued
20 their dreams; are you ready to fulfill yours?”

¹⁴ <http://www.pcmag.com/article2/0,2817,2388678,00.asp>

1 Fusion’s products and services to larger business, especially ones that could afford
2 the prohibitively expensive \$1,499 Pro-Package signup fee. As such, Associates
3 have little (if any) genuine chance of selling the products at retail. In fact, Associates
4 are limited in their earning potential unless they fully invest and purchase the Pro-
5 Package, regardless if they even want it or not. Because Associates earn so little
6 from retail sales, their real income derives from a pyramid-scheme based on internal
7 consumption and recruiting. Instead of selling its overpriced video products to end
8 users, Talk Fusion generates large sums of money in the following two ways: first,
9 current Associates’ internal consumption of products and services, and secondly, the
10 *recruitment* of new Associates (who pay the aforementioned signup fees [between
11 \$250 and \$1,499] and monthly storage fees [between \$35 and \$215] to participate in
12 the Talk Fusion Opportunity). New Associates are told to “Be a Product of the
13 Product—***Become Your Own Best Customer.***” (Ex. 24).

14 6. With their “business opportunity” inherently based on Associates endlessly
15 pursuing to recruit new Associates--Talk Fusion does little to encourage or reward
16 retail sales. Indeed, the compensation paid to Associates is almost altogether
17 unrelated to retail sales. Recruits are reminded in training materials: “You don’t have
18 to be a salesperson. You not are selling anything. You will be sharing Talk Fusion’s
19 amazing video communication products and ***outstanding business opportunity.***”
20 (Ex. 4) In fact, new Associates are specifically instructed not to talk about Talk

1 Fusion’s products’ “functions” and “features,” and instead focus on emphasizing the
2 “wealth building” that the Talk Fusion Opportunity presents.¹⁵

3 7. Associates are told to follow Talk Fusion’s Rule of “2 in 72.” New recruits
4 are instructed to personally sponsor one associate on their left leg, and one associate
5 on their right leg within 72 hours of joining (“Remember 1:1—25 dollars”; “Go
6 Bronze”; and “if they are not doing this, they are doing something wrong.”)¹⁶ The
7 Associates are then instructed to teach their new, personally sponsored Associates
8 to immediately duplicate this process themselves, and personally sponsor two new
9 Associates within 72 hours. Associates are told that if they follow the 2-in-72 Rule,
10 and Talk Fusion’s “4 Step System” of “duplication,” they can “explode their team
11 to more than 2,000 Associates in the first month,” which will allow them to earn six
12 figure incomes. (Ex. 3-7).

13 8. By following Talk Fusion’s recruitment-based Rule of 2 in 72, Associates
14 purportedly reach the rank of Diamond. Upon attaining the rank of Diamond,
15 Associates have the opportunity to drive a Mercedes-Benz (provided by Talk
16 Fusion), take two paid dream getaway vacations each year, receive a Rolex watch
17 and recognition rings, and earn a weekly income of \$2,500. (Ex. 6). In its simplest
18 terms, Talk Fusion’s business model is best explained by Blue Diamonds John and

19 _____
20 ¹⁵ <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

¹⁶ <https://www.youtube.com/watch?v=Wj1cazGXZgw>

1 Leslie: “We sign them up, and we move on, it’s a numbers game.”¹⁷ The more
2 recruits an Associate gets, as well as the more recruits that recruits gets, the higher
3 the commissions and bonuses are for the Associate up-line.

4 9. For example, prior to Talk Fusion Hall of Fame Associate Steve Mitchell (a
5 Talk Fusion top income earner for several years) achieving the rank of Grand Blue
6 Diamond, he amassed an astounding global downline of over 81,000 Associates in
7 two short years. (Ex. 8). In doing so, he earned several million dollars before leaving
8 Talk Fusion in 2013. (Id.) Thus, Talk Fusion’s true business model is based on
9 roping in more and more Associates, each of whom are required to purchase product
10 packages at inflated prices and pay mandatory monthly service fees for the privilege
11 of participating in Talk Fusion’s business opportunity.

12 10. In the Diamond Rush Guide (and online videos), Talk Fusion’s CEO and
13 founder Robert Reina personally instructs new Associates on how to implement Talk
14 Fusion’s 4-Step System of Duplication: Invite, Presentation, 3-Way Call, and Get
15 Plugged In.¹⁸ According to Defendant Reina, Talk Fusion’s system is “simple,
16 teachable and most importantly, it can be ‘duplicated.’ Remember, duplication is the
17 key.”¹⁹ In duplication, Step One is: The new recruits are told to become

18 ¹⁷ <https://www.youtube.com/watch?v=Wj1cazGXZgw>

19 ¹⁸ <https://www.youtube.com/watch?v=ld1g6bQXYFE>

20 ¹⁹ Id.

1 “professional inviters.” Step 2: They are to have their prospects watch or attend the
2 next available online presentation, usually given by a Blue Diamond (such as
3 Cedrick Penn or Steven Mitchell). They are also instructed to create a sense of
4 urgency when presenting the business opportunity, so as to accomplish the Rule of
5 2 in 72. Step 3: (“the most important step of the business—**Do NOT skip this step**
6 **or your business will NOT DUPLICATE**”)²⁰: Associates are to immediately
7 follow-up with the prospect after he or she finishes the presentation with their Up-
8 line Expert. Associates are also told to identify their Up-Line expert to the prospect,
9 and share personal information about the prospect’s financial goals, family concerns,
10 and dreams/desires before the conference call. Step 4: Associates are told to
11 introduce their Up-Line Experts, have the new recruit prepare a list of 25 potential
12 prospects for the Up-Line Expert, and go Bronze in 72 hours (“follow the rule of 2
13 in 72—sponsor one recruit in their left leg and one in their right leg.”) New recruits
14 are told “your level of success will be tied directly to your ability to help others reach
15 their goals and dreams, and that will result from them duplicating the efforts of
16 successful Associates who came before them.” (Ex. 4)

17 11. The business opportunity and the Talk Fusion “Dream” is not financially
18 healthy for the new Associates. Few, if any, Associates ever cover their costs.

19 ²⁰ Id.

1 Because the scheme's promoters and high level Blue Diamonds take a significant
2 cut for themselves, Associates frequently make less than they invest. In fact, hidden
3 in Talk Fusion's own income disclaimer is the following statement: "In any case, it
4 is rare for the Talk Fusion Independent Associate to earn any income at all." (Ex.
5 10). However, watching Talk Fusion's official promotional presentations, training
6 videos, and marketing materials, one would think the exact opposite, and believe
7 that it would be easy to get: "2 people in 72 hours" (which qualifies you for a bonus),
8 and to follow the proven 4-Step system. (Exs. 3-7).

9 12. Top members of the Talk Fusion pyramid scheme are making a fortune off
10 of the global Talk Fusion pyramid, which is operated by Talk Fusion, Inc., and Talk
11 Fusion International, and is assisted by high level Associates, (such as Blue
12 Diamonds), and various businesses (such as Mane World Productions, Inc). Some
13 top Associates are making over \$2 million a year, primarily generated by way of
14 "internal consumption" from their downline Associates. Additionally, these high-
15 level Associates earn income by sharing in the total revenue of the Talk Fusion and
16 Talk Fusion International, Inc. leadership bonus, which ranges between 1 and 2.25%
17 of the global enterprise's total revenue. (Ex. 13).

18 13. Despite the fact that all but a miniscule percentage of Associates are doomed
19 to incur financial losses, Talk Fusion and the other Defendants--and unnamed
20 Defendant co-conspirators, such as Blue Diamond (and higher-level) Talk Fusion

1 Associates--intentionally disseminate false and misleading statements about Talk
2 Fusion's business opportunity to lure new Associates.

3 14. For example, Steven Mitchell makes the following statement in one of his
4 promotional videos, and then proceeds to show a string of actual commissions
5 flowing into an account (Exs. 8-9):

6 "I mentioned to you earlier on about these bigger incomes that are possible, and
7 for legal and ethical reasons, it wouldn't be appropriate for me now to start
8 putting up actual incomes, people's incomes on the screen. ***Recognize the fact
9 that there are individuals right now, who are putting the efforts in, that in a
10 matter of 6 or 7 months are earning anywhere in excess of \$15,000 a week
11 right now.*** So if your goals and aspirations are the bigger incomes, and ***you are
12 prepared with the time and effort into it, uh, clearly, with Talk Fusion the
13 potential is there for you to earn bigger incomes.***"²¹

14 Many other Blue Diamond promoters have made similar representations to recruits
15 in order to create the appearance that financial success at Talk Fusion is simple, and
16 presents a great opportunity to increase their income, if they only follow Talk
17 Fusion's 4-Step duplication system and work hard.

18 15. In response to Defendants' wrongful and unlawful conduct, Plaintiff seeks
19 the certification of a class of Associates (the "Class"), who, like Plaintiff, became
20 Associates in Talk Fusion's pyramid scheme, and were thereby damaged by paying
sign-up fees and purchasing services, at any time from October 1, 2011 to the
present. Plaintiffs seek to hold Talk Fusion and the other Defendants liable for their

²¹ <https://www.youtube.com/watch?v=hGBQsd71VNU>

1 operation and promotion of the Talk-Fusion pyramid scheme, pursuant to the
2 Racketeer Influence and Corrupt Organizations Act, 18 U.S.C 1961 *et seq.* (RICO).

3 16. In addition, Plaintiff seeks to certify a sub-class of California residents and
4 enforce these individuals' remedial rights, under the California Business and
5 Professions Code §§17200, *et seq.*, and §§17500, *et seq.*, for Defendants unlawful
6 business practices, and for patently misleading and false advertising statements.
7 These actions were directed at California residents, and thereby caused the citizens
8 injury in fact, through the loss of money as a result of said actions.

9 **II. PARTIES**

10 **A. The Plaintiff:**

11 17. Plaintiff Dennis Gray was (at all times relevant to the allegations in this
12 complaint) a resident of the County of San Diego, State of California, and a citizen
13 of the United States. Plaintiff was deceived by the Talk Fusion's misleading business
14 opportunity, falsely believing it was a legitimate way to earn money, and did lose
15 money as a result of Defendants' unfair and unlawful business practices.

16 **B. The Defendants:**

17 18. Defendant Robert Reina, the president, founder, and director of Talk Fusion,
18 is (and was at all times relevant to the allegations in this complaint), a resident of the
19 State of Florida, and a citizen of the United States.

1 19. Defendant Reina claims to have over 20 years of experience in direct
2 marketing, and has founded several multi-level marketing companies, including
3 Cash Card and Travel City. These business utilized a similar business model to Talk
4 Fusion's, wherein Associates would receive commissions every time they referred a
5 friend or customer that enrolled in the program and purchased an independent travel
6 agent program.

7 20. Defendant Reina is the author of Talk Fusion's Diamond Rush marketing
8 materials, and appears in numerous promotional videos promoting the "Diamond
9 Rush Training" and "4-Step System" of duplication. (Exs. 3-7). Defendant Reina
10 also hosts a monthly live global conference call with Talk Fusion's Vice President,
11 Allison Roberts, and other unnamed co-conspirator Defendants that include
12 Associates from over 140 countries. In addition, Defendant Reina has appeared at
13 promotional seminars, wherein many of the same representations alleged in this
14 complaint were made to potential recruits, including seminars held in the State of
15 California. For example, he appears in a promotional video entitled: Talk Fusion
16 Events California, which was used to solicit recruits in California.²² These calls,
17 presentations, and promotional videos allowed the pyramid scheme to expand and
18

19
20 ²² <https://www.youtube.com/watch?v=hVQ7qpjYnFY>

1 recruit additional victims in the State of California, as well as nationally and
2 internationally.

3 21. Defendant Talk Fusion, Inc. is, and at all relevant times was, a corporation
4 organized under the laws of the State of Florida, with its principal place of business
5 in the State of Florida, and did business regularly throughout the United States,
6 including in the State of California. Talk Fusion transacts its business in the Southern
7 District of California in accordance with 18 U.S.C. § 1965(a) and (b) and California
8 Code of Civil Procedures § 410.10.

9 22. Talk Fusion markets and sells various video communication products for both
10 personal and business use, including Web software that allows customers to
11 videoconference and create video-emails that can be sent to friends, family, and
12 customers. Talk Fusion's Associates are customers of Talk Fusion, Inc. They pay
13 for the right to recruit other Associates, and earn commissions and bonuses for this
14 recruitment.

15 23. According to Talk Fusion's marketing materials, Defendant Reina got the
16 idea for Talk Fusion while attempting to send a ten-second video via email to a
17 friend. His service provider, AOL, said it was impossible--so Mr. Reina spoke with
18 a computer-savvy friend, Dr. Chen, who designed a revolutionary, patent-pending
19 way to send video emails. (Ex. 15). Recently, Talk Fusion and Dr. Chen have
20 invented another new allegedly revolutionary technology, Connect, which is being

1 marketed to Talk Fusion Associates in recent promotional videos, as the only service
2 to allow users to videoconference across platforms and operating systems, without
3 having to install third-party software.²³

4 24. Defendant Talk Fusion International, Inc., is, and at all relevant times was, a
5 corporation organized under the laws of the State of Florida, with its principal place
6 of business in the state of Florida, and doing business regularly throughout the
7 United States, including in the State of California. (Ex. 16) Talk Fusion
8 International, Inc., transacts its business in the Southern District of California, in
9 accordance with 18 U.S.C. § 1965(a) and (b) and California Code of Civil
10 Procedures § 410.10. Talk Fusion International, Inc., operates in conjunction with
11 the other Defendants' to market Talk Fusion internationally and obtain revenue from
12 foreign sources. This revenue is then distributed to Blue-Diamond and above co-
13 conspirators through the "Leadership Pool Bonus," which gives the co-conspirators
14 between 1 and 2.25% of the total revenue of the global enterprise. (Ex. 13).

15 25. Defendant Mane World Promotions, Inc., is, and at all relevant times was, a
16 corporation organized under the laws of the State of Oregon, with its principal place
17 of business in the State of Oregon, and doing business regularly throughout the
18 United States, including in the State of California. (Ex. 17). Mane World

19 _____
20 ²³ <http://1864570.jointalkfusion.com/default.asp>

1 Promotions, Inc., transacts its business in the Southern District of California, in
2 accordance with 18 U.S.C. § 1965(a) and (b) and California Code of Civil
3 Procedures § 410.10.

4 26. Defendant Mane World Promotions, Inc., provided the self-replicating
5 websites that were used by Defendants Talk Fusion, Inc., Bob Reina, and Talk
6 Fusion International, Inc., to market and promote the unlawful pyramid scheme. (Ex.
7 19). The self-replicating webpages allowed Talk Fusion to build massive
8 “downlines”, spread quickly, and allowed Defendants and unnamed co-conspirators
9 to disseminate false and misleading statements about Talk Fusion’s products and the
10 Talk Fusion business opportunity.

11 27. Defendant Mane World Productions, Inc., at all times alleged in this
12 complaint, was owned, controlled, and operated by Talk Fusion Hall of Fame Blue
13 Diamond Mark Genovese. (Ex. 18). Mark Genovese has been in the Internet
14 business for 25 years, and has done website and SEO work for companies in areas
15 such as: telecommunications, health, and nutrition. He is a Talk Fusion Hall of
16 Famer and Grand Blue Diamond. (Ex. 19). Defendant Mane World Productions,
17 Inc., is a separate and distinct corporate entity from Talk Fusion and Talk Fusion
18 International, Inc.

19 28. The above named Defendants had and have sufficient and continuous
20 contacts with the Southern District of California in that, among other things, they

1 actively promoted the Talk Fusion pyramid scheme through the use of mails and
2 wires in the district, sold products and services in the district, and promoted their
3 businesses in the district through promotional and interactive video.

4 **III. CONSPIRACY, AGENCY, JOINT VENTURE, ALTER EGO**

5 29. Each of the Defendants named herein acted as the co-conspirator, agent,
6 single enterprise, joint venturer, or alter ego of or for the other Defendants, with
7 respect to the acts, violations, and common course of conduct alleged herein, and
8 ratified said conduct, aided and abetted, or is otherwise liable. Defendants have had
9 meetings with other Defendants, and unnamed Blue Diamond co-conspirators
10 reached agreements to market and promote the Talk Fusion Pyramid as alleged
11 herein.

12 30. Defendants, along with unnamed Blue Diamond co-conspirators, were part
13 of the leadership team that participated with Talk Fusion, and made decisions
14 regarding: products, services, marketing strategy, compensation plans, incentives,
15 contests, and other matters. In addition, Defendants and unnamed co-conspirators
16 were directly and actively involved in decisions to amend the associate agreement
17 and compensation plans.

18 31. The acts charged in this Complaint, as having been done by Defendants, were
19 authorized, ordered, ratified or done by their officers, agents, employees, or
20

1 representatives--while actively engaged in the management of the Defendants'
2 businesses or affairs.

3 **IV. JURISDICTION AND VENUE**

4 32. Defendants are subject to the jurisdiction of this Court. Corporate Defendants
5 Talk Fusion, Inc., Talk Fusion International, and Mane World Productions, Inc., at
6 all relevant times, have been engaged in continuous and systematic business in
7 California, and/or have committed tortuous acts in this state. The individual
8 Defendants have, at all relevant times, also been engaged in continuous and
9 systematic business in this state and/or have committed tortuous acts in California.

10 33. The actions giving rise to this lawsuit were taken by Defendants, at least in
11 part, in California. Plaintiff is a resident of California. In accordance with 18 U.S.C.
12 § 1965(a) and (b), the Defendants are subject to this Court's jurisdiction in that they
13 "transact affairs" in the Southern District of California and "the ends of justice
14 require that other parties residing in any other district be brought before the Court,
15 the Court may cause such parties to be summoned, and process for the purpose may
16 be served in any judicial district of the United States by the marshal thereof."
17 (U.S.C. § 1965[a] and [b]). In accordance with California's long-arm statute,
18 California Code of Civil Procedure § 410.10, this Court has personal jurisdiction
19 over the Defendant.

1 34. Because Plaintiff asserts claims pursuant to the Racketeer Influenced Corrupt
2 Organizations Act (RICO), 18 U.S.C §§1961-1968, this Court has jurisdiction over
3 this action, pursuant to 28 U.S.C §1331. Because Plaintiffs assert state-law claims
4 under the California Business and Professions Code, this Court may exercise
5 supplemental jurisdiction, pursuant to 28 U.S.C. §1367.

6 35. Venue is proper in this District, pursuant to 28 § 1391(b) and (c) and 18 §
7 1965(a) and (b), because a substantial number of the acts and transactions that
8 precipitated Plaintiff's claims (and the claims of the classes) occurred within this
9 District. Defendants did (or solicited) business, and transmitted communications by
10 mail or wire, relating to their illegal pyramid, in this district; transacted their affairs,
11 in this judicial-district; and committed wrongful acts in this district, which have
12 directly impacted the general public (of this district), and the ends of justice do
13 require that parties residing in other districts be brought before this Court.

14 **A. The Nature of Pyramid Schemes**

15 36. While pyramid schemes can take different forms, they are at their core
16 inherently illegal schemes, by which perpetrators induce others to join, with the
17 promise of profits and rewards from a putative business. The reality of the schemes,
18 however, is that rewards to those that join come almost exclusively from the
19 recruitment of new participants/victims to the scheme.

1 37. "Like chain letters, pyramid schemes may make money for those at the top
2 of the chain or pyramid, but "must end up disappointing those at the bottom who can
3 find no recruits." *Webster v. Omnitrition, Inc.*, 79 F.3d 776, 781 (9th Cir. 1996)
4 (quoting *In re Koscot Interplanetary, Inc.*, .86 F.T.C. 1106, 1181 (1975), aff'd mem.
5 sub nom., *Turner v. FTC.*, 580 F.2d 701 (D.C. Cir. 1978)). As such, "[p]yramid
6 schemes are-said to be inherently fraudulent...." *Omnitrition* at 781.

7 38. Pyramid schemes are characterized as: " the payment by Associates of money
8 to the company in return for which they receive (1) the right to sell a product and (2)
9 the right to receive in return for recruiting other Associates into the program rewards
10 which are unrelated to sale of the product to ultimate users." *Omnitrition* at 781
11 (quoting *Koscot* at 1180); *FTC v. Burnlounge, Inc.*, 753 F.3d 878, 880 (9th Cir.
12 2014).

13 39. According to the Ninth Circuit, the "satisfaction of the second element of the
14 *Koscot* test is the sine qua non of a pyramid scheme: "As is apparent, the presence
15 of this second element, recruitment with rewards unrelated to product sales, is
16 nothing more than an elaborate chain letter device in which individuals who pay a
17 valuable consideration with the expectation of recouping it to some degree via
18 recruitment are bound to be disappointed." (*Omnitrition* at 782).

1 40. The Ninth Circuit has adopted the *Koscot* standard and has held that "the
2 operation of a pyramid scheme constitutes fraud for purposes of several federal
3 antifraud statutes." (*Omnitrition* at 782. *See Burnlounge, Inc. at 880*).

4 41. California law also renders pyramid schemes illegal. California Penal Code
5 §327 defines an endless chain (or pyramid scheme) as follows:

6 "any scheme for the disposal or distribution of property whereby a
7 participant pays a valuable consideration for the chance to receive
8 compensation for introducing ... additional persons into participation
9 in the scheme or for the chance to receive compensation when a person
10 introduced by the participant introduces a new participant.
Compensation... does not ... include payment based upon sales made
to persons who are not Associates in the scheme and who are not
purchasing in order to participate in the scheme."

11 42. Recently, numerous states, governmental agencies, consumers, professionals,
12 and former participants in multi-level marketing companies have petitioned and
13 requested that the Federal Trade Commission (FTC) investigate the MLM industry,
14 and take action against rogue actors who employ unfair and deceptive tactics, to
15 market their companies. (*See, e.g, In Re: Petition to Take Enforcement Action and*
16 *Promulgate Trade Regulation Rule Concerning Unfair and Deceptive Acts and*
17 *Practices In the Multi-Level Marketing Industry.*) In particular, these groups are
18 concerned that companies are adopting the label of multilevel marketing and, among
19 other things:

- 20 • Selling "business opportunities" to millions of consumers that are based upon the
buyer reselling the same opportunity, *ad infinitum*, with the false promise that

1 exponentially increasing rewards will flow to all participants in the recruiting
chain.

- 2 • Requiring MLM distributors to submit to onerous and unfair terms in their
3 distributor agreements, including arbitration clauses, class action waivers, jury
4 trial waivers, and provisions which permit the MLM company to make unilateral
5 changes to the distributor agreement or compensation plan without the consent
6 of the distributor.
- Using false claims of high income potential to entrap millions of consumers into
7 making automatic monthly inventory purchases charged to their credit cards.
- Presenting misleading and incomprehensible MLM compensation plans which
8 cover up the reality that more commissions are transferred to those positioned at
9 the top of the sales chain than to those who actually make the sale, and that
10 between 50-80% of all commissions are transferred annually to the top 1% of the
11 sales chain.
- Utilizing deceptive Search Engine Optimization (SEO) tactics to manipulate
12 search results so that web sites with negative or objective information concerning
13 an MLM or the MLM industry are “buried.”
- Failing to disclose failure rates, dropout rates, sources of income for those at the
14 top of pyramid chain, and international income sources of high level US-based
15 distributors.

16 43. In reality, pyramid schemes that masquerade as legitimate MLMs serve only
17 to soil the reputation of the MLM industry. Rogue companies like Talk Fusion give
18 legitimate operators a bad name.

19 44. In response, the Federal Trade Act (FTC) has been taking more aggressive
20 steps and actions against these rogue actors, and shutting down their unlawful
business operations. For example, in 2007, the FTC took action against Burnlounge
Inc., for operating a pyramid scheme in violation of Section 5(a) of the FTC Act.
Burnlounge was offering its associates the opportunity to participate in cash rewards
in exchange for an initial fee, plus recurring monthly fees. Members were paid

1 automatic signup bonuses for selling higher priced packages to new associates. The
2 matter was heavily litigated, and ultimately reached the Ninth Circuit Court of
3 Appeal. (*See F.T.C. v. BurnLounge, Inc.*, 753 F.3d 878 [9th Cir. 2014]). The Ninth
4 Circuit rendered its opinion in 2014, finding that BurnLounge's business model
5 focused on recruitment, and that the rewards paid, in the form of cash bonuses, were
6 primarily earned for recruitment, as opposed to merchandise sales to consumers. (*Id.*
7 at 886.) The court placed an emphasis on the fact that recruiting was built into the
8 compensation structure, in that recruiting led to eligibility for cash rewards, and the
9 more recruiting the higher the rewards. (*Id.* at 884.) Thus, the court found
10 BurnLounge's focus was on promoting the bonus and commission program rather
11 than selling the company's products to end retail users. (*Id.*)

12 45. Recently, on August 1, 2015, the FTC took action against VEMMA--alleging
13 them to be a pyramid scheme. Associates were recruited to join VEMMA via
14 promotional videos, in which representations were made about its compensation
15 model and alleged income opportunities. (Ex. 20). VEMMA used a binary-based
16 compensation model similar to the one at issue in this case. Like Talk Fusion's
17 binary compensation plan, VEMMA affiliates earned financial rewards for building
18 two teams of affiliates, who were charged with recruiting additional affiliates. The
19 FTC is arguing that the emphasis of VEMMA's sales culture is recruitment, thus the
20 product is merely incidental to the business opportunity. Unlike Talk Fusion,

1 VEMMA had a 12-month refund policy on all unsold/unused items. Talk Fusion
2 Associates are given a mere three days to cancel their orders for a refund.

3 46. In the Diamond Rush training guide, Talk Fusion Associates are instructed to
4 “instruct those who ‘get it’ to duplicate your actions by doing the same thing.” In
5 addition, Defendant Reina instructs recruits during his Diamond Rush Training
6 Video: “Some Will, Some Won’t—So What—NEXT!” and “Solid duplication
7 begins with sorting for the right people.” (Ex. 7).

8 47. Again, like Talk Fusion, VEMMA affiliates are instructed to teach those
9 recruits to duplicate their process: “As you’ll soon see, your VEMMA business is
10 easy to set in motion and easy to duplicate. Keeping the business simple attracts
11 others to your network. Presenting a plan that can be duplicated encourages others
12 to make their dreams a reality.” (Ex. 20 at ¶27). Talk Fusion tells its Associates that
13 all they need to do is duplicate their plan for success. “That means that you don’t
14 have to figure out how to invite a business prospect, how to conduct a business
15 presentation or how to follow up. **THAT HAS ALREADY BEEN FIGURED OUT**
16 **FOR YOU**. All you have to do is duplicate what has already proven successful.”
17 (Ex. 4).

18 48. As discussed in further detail below, the unlawful business practices of Talk
19 Fusion are very similar to those at issue in the VEMMA matter, in that both
20 corporations instruct new associates about the “power of duplication,” utilize 4-Step

1 recruitment systems, provide their recruits with similar marketing materials, use
2 similar misrepresentations about income potential and ease of success at the business
3 opportunity, and solicit new recruits in a similar manner (requesting that recruits
4 focus on recruiting “liked minded individuals”).

5 **B. The Talk Fusion Pyramid's Basic Structure**

6 49. Since at least 2007, Talk Fusion has been operating and conducting business
7 in the State of California.

8 50. Defendant Talk Fusion purports to be a lawful and legitimate company
9 engaged in the "relationship marketing" of video conferencing products. According
10 to their webpage, Talk Fusion runs “directly on the power of people talking to
11 people.”²⁴ People in “over 140 countries” are paid to market Talk Fusion’s video
12 products and alleged business opportunity.²⁵

13 51. In reality, Talk Fusion is an enterprise that is, and always has been, an illegal
14 pyramid scheme. This enterprise will hereinafter be referred to as the “Talk Fusion
15 Pyramid.”

16 52. The Talk Fusion Pyramid operates by offering prospective participants the
17 opportunity to become "Associates" who allegedly will pay for the right to enroll
18

19 ²⁴ <http://www.talkfusion.com/en/opportunity/>

20 ²⁵ *Id.*

1 others in the Talk Fusion scheme, and earn commissions once these recruits are
2 “Active and Qualified.” (Ex. 22 at p. 10).

3 53. Defendant Talk Fusion labels all individuals who participate in the Talk
4 Fusion Pyramid as Associates.

5 54. Defendant Talk Fusion compensates all of its Associates in accordance with
6 what it terms “The World’s First Instant Pay Compensation Plan.” (Ex. 21, 22).

7 55. The basic terms of its compensation are set forth in a compensation plan,
8 available on Defendant’s website.

9 56. From at least 2011, Defendant Talk Fusion has utilized a compensation-plan
10 document that describes a compensation structure that amounts to a fraudulent and
11 illegal pyramid scheme, both by its very terms, and by its implementation in practice.
12 This compensation document is attached as Exhibit 22, and is incorporated herein
13 by reference.

14 57. Prospective participants who meet certain criteria, enter the company as
15 either an Associate or Active Associate—which means they are eligible to receive
16 bonus commissions. Both Associates and Active Associates are required to pay a
17 one-time fee of \$39.00. (Ex. 2, 22 at p. 5).

18 58. Although the Compensation Plan provides that one may join Talk Fusion as
19 an Associate, and not purchase a product, Talk Fusion is recruiting participants to
20 join as Active Associates, which requires the participant, in addition to the \$39.00

1 one-time fee, purchase a product package (costing \$250 for the Executive, \$750 for
2 the Elite, and \$1,499 for the Professional), and pay a monthly storage fee (\$35 to
3 \$215 a month). (See. Ex. 22 at 5, 30).

4 59. To be considered Active, according to the Talk Fusion Compensation Plan,
5 an Associate must personally generate a onetime Personal Sales Volume of 50
6 points, and maintain a minimum 10 Personal Sales Volume Points on a monthly
7 basis, going forward. Personal Sales Volume is sales volume generated from
8 personal product purchases, made by the Associate or by retail customers. (Ex. 22,
9 at p. 10).

10 60. In addition, all Associates and customers who purchase products are required
11 to purchase a mandatory subscription fee, ranging from \$35 to \$215 dollars a month.
12 (Ex. 22 at p. 12).

13 61. Given the signup fees for the product packages (\$250, \$750, and \$1,499), and
14 the availability of free individual substitutes on the internet, as well as business level
15 web-conferencing software offered by: Webex, Adobe, Centrix, GoToMeeting, et
16 al., (some of which are free), the vast majority of Associates simply purchase the
17 products themselves, and pay monthly storage fees, to remain Active and qualify for
18 bonuses and commissions. (Id.)

19 62. After joining—and buying either a \$250, \$750, or \$1,499 product package,
20 and paying the necessary monthly storage fee—a new Talk Fusion Associate then

1 ostensibly has the ability to sponsor other Associates, and advance to higher ranks
2 in the Talk Fusion Pyramid (see discussion below).

3 63. The basis for promoting Associates to higher positions in the corporation is
4 not success in selling products or services, but rather the recruitment and sponsorship
5 of new Talk Fusion Associates—those in his or her "downline" (i.e., Associates
6 below them on the pyramid). This is because rank advancement is dependent on the
7 Associate obtaining a number of cycles in their downline, which is essentially the
8 recruitment of new Associates. Newly recruited Associates are placed in one of two
9 legs in the Associate's "binary tree," and subsequently constitute a numerical value
10 of product and service purchases for the recruiter.

11 64. The opportunity to earn commissions and residual income for life is the main
12 selling point of the Talk Fusion "business opportunity." Commissions are paid out
13 using a binary compensation structure: the recruiting Associate is at the top, and his
14 two subsequent recruits (who have purchased product and service packages, or
15 "Sales Volume") are each placed in one of the two left/right binary tree legs. Once
16 each leg reflects a minimum of 100 Sales Volume, an Associate earns a \$25 payout.
17 Each \$25 payout is referred to as a binary cycle.

18 65. There are 16 ranks in Talk Fusion's compensation plan of the Talk Fusion
19 Pyramid. The ranks are based upon an Associate's ability to recruit new Associates,
20 which dictate the earning rates of the Associate. (Ex. 10).

1 **1. Bronze:** 1 Binary Cycle.

2 “The first significant position. Go bronze. 2 and 72 that’s our role, that’s our motto
3 that’s we do. You have to get your first 2 partners in the first couple days.”²⁶

4 “Immediately you want to help your prospect make sure that they develop their
5 top 25 prospect lists. Who are the top 25 people they know *who want to start*
6 *making money instantly*? Those of the people you want to write down on the list
7 and start contacting immediately. Because your goal is this, we say its 2 and 72,
8 which means sponsors 2 associates, one on your left leg and one on your right leg
9 within the first 72 hours. That means that you’re Bronze. *You simply repeat that*
10 *behavior with her personally sponsored associate’s and at that time become a*
11 *bronze maker, which is the absolute core of the talk fusion compensation*
12 *plan.*”²⁷

13 **2. Silver:** 5 Binary Cycles.

14 **3. Gold:** 10 Binary Cycles.

15 **4. 1 Star:** 20 Binary Cycles.

16 **5. 2 Star:** 30 Binary Cycles.

17 **6. 3 Star:** 50 Binary Cycles.

18 **7. Diamond:** 100 Binary Cycles.

19 “Next significant position is go Diamond, baby. That’s 100 cycles in a one week
20 that *six-figure a year income* when it comes from the comfort your home. And
we can’t guarantee you no income with your work ethic, we don’t know your
background, we don’t know your follow-up coach in training, *but know this*
people in this company are making more then these to work on the job in a week
then they did a year that’s exciting.”²⁸

²⁶ <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

²⁷ <https://www.youtube.com/watch?v=ld1g6bQXYFE>

²⁸ <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

1 8. **Double Diamond:** 150 Binary Cycles.

2 9. **Triple Diamond:** 200 Binary Cycles.

3 10. **Diamond Elite:** 250 Binary Cycles.

4 11. **Blue Diamond:** 500 Binary Cycles.²⁹

5 “Qualified Associate who go Blue Diamond and above share in a percentage of
6 the total Sales Volume generated through Talk Fusion WORLDWIDE” (1% to
7 2.25% of the total revenue). (Ex. 18).

8 12. **Grand Blue Diamond:** 1,000 Binary Cycle.³⁰

9 13. **Royal Blue Diamond:** 1,500 Binary Cycle.

10 14. **Presidential Blue Diamond:** 2,500 Binary Cycle.

11 15. **Ambassador Blue Diamond:** 5,000 Binary Cycle.

12 16. **Imperial Blue Diamond:** 7,500 Binary Cycle, with at least one personally
13 recruited Grand-Blue-Diamond-ranked affiliate in both binary teams.

14 66. Defendants recruit Associates, and entice them to purchase products,
15 services, and related marketing materials through false material statements and
16 omissions, and then distribute proceeds of these sales to new recruits, at rates based
17 almost exclusively on participants' recruitment of new victims—rather than on the

18 ²⁹ As of the filing of this action, less than 20 associates out of Talk Fusion’s one
19 million associates have achieved the rank of Blue Diamond or Grand Blue
20 Diamond.

³⁰ *Id.*

1 sale of products to retail users. Blue Diamond and above co-conspirators then siphon
2 off 1% to 2.25% of the total global revenue from Talk Fusion, Inc. and Talk Fusion
3 International, Inc., to further enrich themselves.

4 67. As a result of investing in the scheme, Plaintiff and the Class have suffered
5 millions of dollars in losses.

6 **C. Defendants' Enterprise Constitutes a Pyramid Scheme**

7 68. Defendants have operated and promoted their fraudulent scheme through the
8 use of the U.S. mail and interstate wire communications. Through their creation and
9 operation of their pyramid scheme, Defendants specifically intended to, and did in
10 fact, defraud their Associates—including Plaintiff and the members of the Class.

11 69. The first part of their illegal pyramid scheme consists of an alleged MLM
12 business run by Talk Fusion. At the bottom rung of this operation is a network of so-
13 called Associates. Talk Fusion purports to sell its video products and services
14 through the Associates, but, in fact, few of Talk Fusion products are ever sold to
15 anyone other than its Associates. Unlike legitimate MLMs, that offer reasonable
16 prices for a product with legitimate market value, the prices Associates pay for Talk
17 Fusion's products (and associated costs) are so high that the prospect of genuine
18 retail sales is virtually naught. Because its Associates are the actual customers and
19 ultimate users of its products, Talk Fusion requires an ever-expanding network of
20 new Associates in order to keep Talk Fusion afloat.

1 70. Under Talk Fusion’s Compensation Plan, Associates are able to earn income
2 primarily from only two sources: (1) bonuses for recruiting and sponsoring new
3 representatives, and (2) commissions from sales of products and services to
4 themselves and the recruits in their “downline.” (Exs. 21 and 22).

5 71. Talk Fusion operates as an illegal pyramid scheme because its compensation
6 plan revolves around a recruitment-oriented message, in which an Associate’s
7 compensation derives from successful recruitment of new Associates. “Courts . . .
8 have consistently found MLM businesses to be illegal pyramids where their focus
9 was on recruitment and where rewards were paid in exchange for recruiting others,
10 rather than simply selling products.” (*F.T.C. v. BurnLounge, Inc.*, 753 F.3d 878, 885
11 [9th Cir. 2014]). An Associate receives rewards which are unrelated to the sale of
12 products or services to ultimate users outside of Talk Fusion. *See United States v.*
13 *Gold*, 177 F.3d 472, 480 (6th Cir 1999) (quoting *In re Koscot Interplanetary, Inc.*,
14 86 F.T.C. 1106, 1187 [1975]). Such a scheme is deemed inherently fraudulent under
15 federal law. (See also *FTC v. Burnlounge* 753 F.3d 878 [2014 9th Cir.]

16 72. New entrants into this pyramid scheme are effectively required make a
17 minimum initial investment of \$679 (or \$1,958 for the Pro-Package), by paying a
18 onetime \$39 fee, purchasing at least the \$250 Starter Package (if not the \$1,499 Pro
19 Package, which allows the Associate to earn larger bonuses/commissions, and is
20 touted by Talk Fusion “as the best value”), and paying a minimum of \$35 a month

1 in storage fees. All of these exorbitant costs are paid in order to stay Active and
2 Qualified, which is necessary to be compensated under the scheme.

3 73. Because Talk Fusion's Associates essentially do not sell products to
4 consumers (who are not also Associates), they only obtain return on their investment
5 by recruiting new Associates (which then buy products). This results in payouts
6 alleged to be "bonuses" and "commissions." Completely contrary to the law, Talk
7 Fusion forces its Associates to make these purchases, and disingenuously attempts
8 to categorize these purchases as sales to customers or "ultimate users," in order to
9 meet its legal obligations of reoccurring retail sales. When a company incentivizes
10 the recruitment of new participants over product sales, rewards to participants are
11 not considered sales to ultimate users. (*Id.* at 887; *See United States v. Gold*, 177
12 F.3d 472, 481 [6th Cir 1999]).

13 74. Talk Fusion is a classic pyramid scheme with a charismatic leader/founder at
14 the top of its enterprise. In this case, Defendant Reina is that leader, toting the new
15 "Next Best Thing." Defendant Reina is supported by various businesses and
16 individuals (usually high ranking representatives of the company), such as the Blue
17 Diamond co-conspirators, who disseminate its marketing materials, and promote the
18 scheme to individuals through seminars, promotional videos, and websites. These
19 conspirators instruct other "liked-minded" individuals to duplicate their "system" as
20 soon as possible, to further the conspiracy.

1 75. This practice should immediately be enjoined under California's Business
2 and Professions Code Sections 17200 and 17500.

3 **1. Recruiting presentations by the Defendants, and others at the top of**
4 **the Talk Fusion Pyramid, emphasize recruitment of new associates**
5 **over the sale of products and services to customers outside of Talk**
6 **Fusion**

7 76. The Defendants, and Blue Diamond co-conspirators at the top of the Talk
8 Fusion Pyramid, appear in promotional videos and present marketing materials that
9 consistently emphasize recruitment of new Associates over sales of products and
10 services to customers outside of Talk Fusion.

11 77. For example, Talk Fusion Hall of Fame member and Blue Diamond, Cedrick
12 Penn, in his weekly motivational Diamond Rush Guide training session with new
13 recruits, routinely emphasizes recruitment over product sales.

14 78. For further example, in his July 22, 2015, live-training sessions, Penn makes
15 statements about his income growth by implementing Talk Fusion's 4-Step
16 Duplication System.³¹ During the presentation, there was no disclosure regarding the
17 average earnings of the Associate, as required by the Federal Trade Commission:

18 ***"My business exploded – it literally exploded. And I'm telling you, what we're***
19 ***about to do, it'll even explode even more. Instant pay, one-to-one binary, \$25***
20 ***cycles, Mega-Match bonuses, car programs -- this thing will get, it'll get, it'll***
get out of control. It will get out of control. It'll get out of control. When I
learned this, ladies and gentlemen, I wish I could get my ol' dad in so he could
this. ***When I did this, when I started teaching this, my income was about***

³¹ <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

1 ***\$50,000 a month, when I started -- about 90 days later, I was up in the 140's***
2 ***and 150's, in 90 days. And it wasn't nothing magical.***³²

3 79. Shortly after discussing the Talk Fusion's 4-Step Duplication System, and
4 the "explosive opportunity" for wealth that Talk Fusion's "duplication" system
5 represents, Cedric Penn specifically admonishes new Talk Fusion Associates that
6 they should not talk about Talk Fusion's products to prospective recruits, because
7 "it does not work."

8 80. According to Mr. Penn, if new Associates talk about Talk Fusion's products
9 to new prospects they "won't get wealthy" and, "they will struggle" using Talk
10 Fusion's system.

11 "That's why I get a kick out of people. [Stammering.] People say what? You
12 don't talk about our products; listen, ***I'm not anti-product, I'm pro-***
13 ***duplication. I am pro... Listen you will not get wealthy with products, listen***
14 ***to what I am telling you all.*** You talking with someone who's been in this
15 business for 25 years, at the highest levels. At the highest levels, I've been to
16 four different companies. Million-dollar earner, multiple times, at four different
17 companies. I know what I am talking about. ***If you listen, you, you will get***
18 ***results you. If you don't listen, you will struggle. I don't care what you***
background is. I don't care how much money you made in traditional
business. I don't care. You won't do it here. Because it doesn't work... And
I hear you all say: I'm coachable. No you're not. Ninety-five percent of you all
are not coachable. I love you, but you are not coachable. You're not. Because
I am teaching you, and coaching you, and ***showing you exactly what to do.*** So,
either you're coachable, coachable means, I'm listening and learning and
applying. You might be listening, learning, but you're not applying... So who's
only here, is going to take what I teach you and apply it. I want it in the chat."³³

19 ³² <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

20 ³³ Id.

1 81. Cedric Penn then goes on to give an example of how he had made millions
2 of dollars, at multiple companies, using systems similar to Talk Fusion’s 4-Step
3 system--by not talking about the company’s products, but instead focusing on selling
4 the “business opportunity.”

5 “I’m telling you it works, man. It works. It works man. I don’t care... Listen
6 you all, I laugh about it because it’s funny. **Man, I was in number one earner**
7 **in a nutrition company. And I probably had the worst health out of everybody**
8 **in the company. But I made the most money.** And there was people in the
company that came before me. I didn’t launch the company; the company
already had launched. The difference was, our team had systems and their team
didn’t.”³⁴

9 82. Mr. Penn further goes on to instruct Talk Fusion Associates as to why they
10 should not discuss Talk Fusion’s products with prospects: if Associates start talking
11 about the features and functions of Talk-Fusion products, then the potential prospect
12 might ask questions about the product, such as what does it do, what is this, what is
13 that. According to Mr. Penn, Associates should focus on selling the timing and
14 potential for wealth that the Talk Fusion Opportunity presents.

15 **“I’m tellin’ you: systems, systems.** I remember this lady got up and said, Mr.
16 Penn can I ask you guys a question. There was a panel of us. Can I ask you
17 guys a question? Please do not be offended. I’m not going to be offended.
18 Can you or the other gentleman answer question? Why do you guys don’t
19 get questions about your weight? When we’re in a nutrition Company. That
don’t come up. I said nobody’s never asked me about my weight, because
I’m not talking about. **I am talking about making money. You’re talking**
20 **about losing weight, and I’m talking about getting wealthy. That’s why I’m**

³⁴ Id.

1 ***up here and you're down there. You're worried about what's in the shake,***
 2 ***and I'm selling the opportunity.*** Big difference. You sell the taste, I'm going
 3 to sell the timing. Remember that. I'm a... ***You sell the taste, and I am going***
 4 ***to sell the timing. And let's see who wins.*** Remember that. Sell the taste,
 5 sizzle, and I'm going to sell the timing, and I will out run you every single
 6 time. ***Because human nature is, when you start talking about what's in***
 7 ***here, people gonna start, what is in it, what is that, what's the, what is that,***
 8 ***what is that, why I gonna do that. I don't care what it does. What I care***
 9 ***about is leverage.*** Remember that all you all. Leverage: the predictable
 10 outcome of our business is speed, velocity, and leverage; not the taste."³⁵

11 83. Most telling about Mr. Penn's view of Talk Fusion's products, and the
 12 relative importance of its product sales, is his statement to the effect that he doesn't
 13 care about Talk Fusion's email features and functions. What he does care about, and
 14 wants Associates to care about is the "business opportunity," to create wealth using
 15 Talk Fusion's 4-Step Duplication System.

16 ***"When I get people, I get a kick out of them, Mr. Penn that template is***
 17 ***beautiful. I could care less what that template looks like. You all care about***
 18 ***what it looks like. I don't care. I care that when you hit send it goes. That***
 19 ***it works. That our system is reliable. That Bob pays on time. That I have***
 20 ***an opportunity to create wealth for my family. That's what I care about. I***
don't care about the little nuances of this and that. I could care less. I can't
cash that. I can't donate that. I can't sow that into my church. I can't give
 that to the elderly. I can't feed the underprivileged. I can't send the kids to
 college that don't have the money, on the taste, but I can on the timing."³⁶

84. This emphasis on recruitment over product sales comes from the top of Talk
 Fusion. In fact, Defendant Reina, as Founder and CEO, appears in numerous new

³⁵ Id.

³⁶ Id.

1 recruit-training videos discussing “the proper way” new Associates should succeed
2 at using Talk Fusion’s business opportunity. (Ex.3-7).



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12 “Hi, I am Bob Reina founder and CEO of Talk Fusion and welcome to the
13 diamond rush fast track training. Over the next few minutes, *I’m going to*
14 *share with you the proper ways to build your Talk Fusion business.* I am
going to show you what to do, how to do it, and also can explain you why
we do it this way. All the top leaders in the business are following this system
to make their dreams come true.”³⁷

15
16 85. Like co-conspirator Blue Diamonds, Defendant Reina reiterates that new
17 Associates should invite prospects by asking them if they are “interested in making
18 money.”³⁸

19 ³⁷ <https://www.youtube.com/watch?v=ld1g6bQXYFE>

20 ³⁸ Id.

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Invite Question

Have you heard of a company named Talk Fusion?

As Facebook revolutionized Social Media, Talk Fusion is doing the same thing to the next big Internet craze: video. Best of all, they are paying people to do it.

By 2015, 90% of all Global Internet Traffic will be video based. This makes Talk Fusion the number one in-demand product in the world.

All you do is ask people if they are interested in making money and invite them to a quick 20-minute Online Presentation. There are no meetings necessary, no face-to-face selling and no convincing.

FAST TRACK

TALK FUSION
Be part of the moment.

11 “It’s a very simple invitation, which is working for people all over the world.
12 And they are having great success with it. It goes like this, have you heard
13 of a company called talk fusion. As Facebook revolutionized Social Media,
14 Talk Fusion is doing the same thing to the next big Internet craze which is
15 video. Best of all their paying to do it. By the year 2015, 90% of all global
16 Internet traffic will be video based. This makes Talk Fusion the number one
17 in demand product in the world. **All you do is ask people if they’re interested
18 in making money and invite them to a quick 20 minute** online presentation.
19 There are no meetings necessary, no face-to-face selling, and no convincing.
20 If I can show you how to earn money today, would you take 20 minutes learn
more and then you simply just direct them to the next online presentation by
giving them the time.”³⁹

86. Like Mr. Penn’s speech on “timing,” defendant Reina emphasizes the
necessity to invite prospects with “excitement” and “urgency,” and to get the new

³⁹ Id.

1 Associates to do likewise. As in Mr. Penn’s statements above, Reina emphasizes the
2 timing of the pitch of the “business opportunity, not product sales to consumers.

3
4 “Step 4 get plugged in. You have to remember this, associates are never more
5 excited in the minute they join. At that point in time they connect how their
6 dreams can come true by building a successful Talk Fusion business.
7 Immediately, what you need to do is to introduce your prospects to your up
8 line experts. Begin to develop the relationships within the network.
9 Remember this is a team sport. So you want to make sure that they are
10 introduced to multiple people in the up-line, because they will know that they
11 have a great team available to help them at all times. *Immediately you want
12 to help your prospect make sure that they develop their top 25 prospect
13 lists. who are the top 25 people they know that want to start making money
14 instantly those of the people you need to write down on the list and start
15 contacting immediately because your goal is this, *we say it is 2 and 72,
16 which means the sponsor two associates 1 on your left leg and 1 on your
17 right leg within the first 72 hours. that means that your a bronze you simply
18 repeat that behavior with her personally sponsored associate’s and at that
19 time you become a bronze maker which is the absolute core of the talk
20 fusion compensation plan.*”⁴⁰*

⁴⁰ Id.

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Step 4: Get Plugged In

- ✓ Associates will never be more excited than the minute they join.
- ✓ Immediately introduce to Upline Experts.
- ✓ Get to work instantly—build their Top 25 Prospect List.
- ✓ 2 in 72—Go Bronze—Repeat with Personals and Go Bronze Maker

YOU

Left Team Right Team

BRONZE

BRONZE MAKER

FAST TRACK

TALK FUSION
Be part of the moment.

11 87. Further emphasizing that the type of product sold by Talk Fusion is irrelevant

12 to the business opportunity and the ability to create wealth, is Defendant Reina’s

13 “Flower Shop” example, given during a Diamond Rush Training Session. He states

14 that it does not matter whether the Associate is selling “flowers” or “video

15 communication products,” the emphasis is on selling the opportunity and leverage.

16 This example was given by Defendant Reina at numerous training seminars across

17 the country, to Talk Fusion Associates.⁴¹BN

18 *“For a flower franchise it was \$750 -- that was her cost to get started.*

19 *Included everything: some starting inventory, our store front – anything we*

20 *needed to get their business moving. And it’s our responsibility to stay in*

*business – that we just had to make sure, **make sure that we sold \$50 worth***

⁴¹ <https://www.youtube.com/watch?v=duniGuvq3iU>

1 *of flowers each month.* But it's even cool though, because we can even
2 become our own customer. So we could even buy the flowers to use them at
3 our office or at our home. We just had to make sure so – everybody
4 understand so far? Seven-hundred fifty bucks starts a flower franchise. Fifty
5 dollars a month is what you're spending on your flowers. Everybody got that
6 so far? *And in order to help expand our business, besides finding*
7 *customers, we wanted to go out and find other people who wanted to open*
8 *up their own flower store. Right? Everyone with me so far? So. There cost*
9 *to get started would be the same: 750 bucks, and \$50 a month.* And each
10 month we would want to find at least two people willing to open up their
11 own franchise. We're looking for people that want to make money. Right?
12 With me so far? Is everybody – no objections so far? Everybody is good?
13 Right? Kay. And it's our responsibility, when they open up their flower
14 franchise, to train them to make sure that they are selling the product to
15 customers, fifty bucks a month, or, and finding two people to open up their
16 own flower franchise. So, this, everybody is just responsible for two people
17 each month. You with me? *So, the question I have for you is this, if that's*
18 *what I asked you to do, would you open the flower franchise, if you knew*
19 *your predictable outcome, for opening it would be over a half million*
20 *dollars you would make within your first eight months?* That's the question
I have for you. And your answer would be? [Audience: "Yes"]. Kay. Now,
is there anybody around that would say no? Is there anybody that you know
that would say no? Is there anybody that, second generation would tell you
no? Of course everybody would say yes, right? Because it makes sense.

Now obviously we can't make income claims with what we're doing at Talk
Fusion, *but, would it matter to that person, if they were marketing and*
moving flowers or they were marketing video communication products,
with a video email that they could use to build relationships with people?
But it's not fifty bucks a month, it's only thirty-five dollars a month. Would
that make a difference to somebody? [Audience: "No, why would it."] And
then there's, there's your answer. See. The reason why people don't get
involved in our business is because they don't understand the business.
That's really the reason why. And people have a tendency at times to get in
the way, to complicate things, and to explain things to people, um, and that's
why one of the keys, why people will either make it big or not make it. Those
people that make it big *respect and understand the model itself, that it*
*involves leverage...*⁴²

⁴² Id.

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2 88. In sum, in the words of its own leaders, products are irrelevant to an
3 Associate's success with Talk Fusion. As Defendant Reina demonstrated in the
4 "flower shop example," it does not matter if the product is "flowers" or "video
5 communications products." Furthermore, as Mr. Penn's statement—that he "doesn't
6 care" about the "features" and "functions" of Talk Fusion's email products
7 demonstrate—the emphasis of Talk Fusion's "business opportunity" is recruiting
8 new Associates, to obtain greater bonuses and commissions.

9 89. At all times alleged in this complaint, Defendants used, among other things,
10 telephone lines and internet transmissions involved in interstate commerce, to recruit
11 new Associates into the Talk Fusion Pyramid. In addition, Defendants disseminated
12 false and misleading statements to individual representatives, with the assistance of
13 Defendant Mane Productions, Inc.

14 **2. Official Talk Fusion training materials emphasize recruitment of new**
15 **members over the sale of products and services to customers outside of**
16 **the Talk Fusion Pyramid.**

17 90. Defendants provide new Associates with official Talk-Fusion written training
18 materials, which emphasize recruitment of new associates over products sales.
19 Specifically, new associates are provided with Talk Fusion's "Diamond Rush
20 Training Guide," "Diamond Training Slides," and "Talk Fusion Opportunity Slides"

1 (which are attached as Exhibits 2-7). Associates are encouraged to attend webinars,
2 seminars, and workshops put on by members of the Pyramid, including high-ranking
3 Talk Fusion officers and other Blue Diamond co-conspirators.

4 91. Associates are told if they follow the guide they will be successful and create
5 great wealth with Talk Fusion (Go Diamond in 200 Days: Earn \$2,500 weekly
6 income, Hawaiian Dream Getaway, Rolex Watch, Mercedes Car Bonus, and
7 Recognition Rings). (Ex. 6).



16 92. This guide provides specific rules and instructions for recruiting new
17 Associates into Talk Fusion. New associates are told: “you don’t have to be a
18 salesperson.” Furthermore, they are told to become system-dependent, and that
19 products alone will not create duplication: systems do.” (Ex. 4).



93. Recruits are told by Blue Diamonds (in training videos) that if they follow the Diamond Rush Guide, and apply the 4-Step System, they can obtain six-figure incomes⁴³:

“But I want to share something with you tonight, I think that you walk away with a plan to go diamond, and, you know, that’s the pinnacle of our comp plan is getting to diamond. That opens up the dream getaway to Hawaii, that opens up the six-figure income from home, really allows you start living life the way you are supposed to live. ***Six figure income from home. Who’s excited about six-figure income from home?*** If you are, type it in the box. Excited about six figures from home. Alright cool.”

⁴³ <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

1 94. Associates are also told that successful Talk-Fusion Associates are
2 following the Diamond Rush Guide, and teaching it to other Associates, and they
3 need to find these “like minded” individuals.

4 “Number two: this is critical, nothing will happen until you identify 3 to 5
5 runners. 3 to 5 runners. Kay? Now, what’s my [stammering] what’s my
6 meaning of a runner? This is a runner. Kay. We heard... We use the word
7 leader all the time—leaders, runners, kay, I want you guys to understand that
8 you can’t go to the higher pin levels, until you have been 3-5 key runners in
9 your business, that you can work with. Kay? 3 to 5 key runners that you can
work with. Alright? So, what makes a person a runner? Number one, number
one: their plugged into the system. *They know the Diamond Rush, they do
the Diamond Rush, they teach the Diamond Rush, they promote the
Diamond Rush. That’s the first thing a runner does.*”⁴⁴

10 95. Talk Fusion’s Rule of 2 and 72 appears on pages 15 and 16 of the Diamond
11 Rush Guide; this is the basis of Talk Fusion’s “business opportunity” and Talk
12 Fusion’s business model. (Ex. 4). Recruits are told if they follow the guide they can
13 be making six-figure income with Talk Fusion within 28 to 30 days. (Ex. 3-7).

14 “Go Pro, 2 in 72 that’s our motto that so we do you have to get your 2 in the
15 first couple days now you see instant Pate work and the finest and your
16 account you sponsor personally one on you left and one on your right. There
now Bronze. Next position, go Diamond, baby. That’s 100 cycles in a week;
that’s six-figure income.”⁴⁵

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19 ⁴⁴ <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

20 ⁴⁵ Id.

1 96. The 4-Step Duplication System, which is set forth in the Diamond Rush
2 Guide, is presented in training materials, on websites, and in weekly seminars given
3 by Blue Diamonds. The Four Steps are as follows: 1) Invite, 2) Presentation, 3) 3-
4 Way Call, 4) Get Plugged in. (Exs. 3-7).



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14 97. Below are images of Defendant Reina instructing new Associates on how
15 they properly employ the 4-Step system to be successful with Talk Fusion.
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How do you build a HUGE Team?

- 1 You must begin with a LIST. Add to it daily.
- 2 Most people know 300-500 people by full name.
- 3 100 who know 100 who know 100 = ONE MILLION PEOPLE.
- 4 Do NOT prejudge anybody.
- 5 Must put each one through a duplicable system of income.



youtube.com switched to full screen (Esc to exit). Okay Exit now X

Solid Duplication begins with sorting for the right people

- 1 How many oysters does it take to find one pearl?
- 2 Who would you like on your team?
- 3 Always be positive.
- 4 Shorten their learning curve with the 4 Steps.



1 **Step 1:**

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3 **Step 1: Invite**

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1. A new Associate should NOT present the Opportunity.

2. A new Associate should be a professional inviter. Invite top 25 Prospects right away with excitement.

3. Master the art of creating interest.

4. Inviting should take 1-2 minutes.

5. Do NOT do a Presentation at the Invite stage.

FAST TRACK

TALK FUSION
Be part of the moment.

11

12 **Invite Question**

13 ***Have you heard of a company named Talk Fusion?***

14 As Facebook revolutionized Social Media, Talk Fusion is doing the same thing to the next big Internet craze: video. Best of all, they are paying people to do it.

15 By 2015, 90% of all Global Internet Traffic will be video based. This makes Talk Fusion the number one in-demand product in the world.

16 All you do is ask people if they are interested in making money and invite them to a quick 20-minute Online Presentation. There are no meetings necessary, no face-to-face selling and no convincing.

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FAST TRACK

TALK FUSION
Be part of the moment.

Step 2:

“Step 2 is the presentation simply have your prospect watch or 10 the next available presentation urgency is the key to getting people to the next presentation. Remember we have about 20 going on daily and multiple languages from around the world the prospect will get to see the products business opportunity testimonials and are in our system of duplication.”⁴⁶

The Diamond Rush Fast Start Training by Bob Reina

Step 2: Presentation

- ✓ Have your Prospect watch or attend the next available Presentation—create urgency.
- ✓ Over 20 occur daily—multiple languages.
- ✓ The Prospect will see the Products, Business Opportunity, testimonials and our duplicable System of income.

INSTANT PAY

TALK FUSION
THE OPPORTUNITY OF A LIFETIME

THE KEY TO CREATING WEALTH

FAST TRACK

TALK FUSION
The key of the moment

3:43 / 9:33

Step 3.

“Now let’s move on it step 3 which is through a call which is very critical do not get the step or I will promise to your business will not duplicate right after the call you follow-up immediately after the presentation with their up line sponsor make sure you edify your first edification simply means you settling nice about them borrow their credibility prestige and experience even if they sign up after the presentation you always want to introduce them to your up line’s this is a team sport so you want people to develop the right mindset of community.”⁴⁷

⁴⁶ <https://www.youtube.com/watch?v=ld1g6bQXYFE>

⁴⁷ <https://www.youtube.com/watch?v=ld1g6bQXYFE>

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Step 3: 3-Way Call

- ✓ Do NOT skip this step or your business will NOT DUPLICATE.
- ✓ Follow up immediately after the Presentation.
- ✓ Edify your Upline Expert first. Borrow their credibility, prestige and experience.
- ✓ Introduce to Upline even if Prospects sign up.

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Identify Prospects' Hot Buttons

FORM Method: Relate to the Prospect

F – FAMILY Would they like to spend more time with their family?

O – OCCUPATION Are they in a job that they do not like, or are they not being paid their worth?

R – RECREATION If they had more free time, what would they do?

M – MONEY Do they need a new house, new car, to pay off debt, or take a vacation?

FAST TRACK

TALK FUSION
Be part of the moment.

11 **Step 4:**

12 “20/20 vision it’s very important; what it means is quickly as you can you want to
13 talk to 200 prospects, on average if you do it properly you will sponsor one out of 5
14 which means you 20/20 personally sponsored associate on your left and 20
15 personally associates on her right. This will set the foundation for you for Diamond
16 the level of Diamond which equals about \$2500 per week or hundred thousand US
17 per year and along the way you will earn the Mercedes car bonus within 2 to 5 years.
18 Can you find 40 people who are serious about changing their lives? Of course you
19 can.”⁴⁸

20 ⁴⁸ <https://www.youtube.com/watch?v=ld1g6bQXYFE>

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Step 4: Get Plugged In

- ✓ Associates will never be more excited than the minute they join.
- ✓ Immediately introduce to Upline Experts.
- ✓ Get to work instantly—build their Top 25 Prospect List.
- ✓ 2 in 72—Go Bronze—Repeat with Personals and Go Bronze Maker

FAST TRACK

TALK FUSION
Be part of the moment.

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98. In closing, Defendant Reina reiterates that new Associates should follow the 4-Step System, and not deviate from the program, as this will interrupt the duplication process.

15

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“As you can see 4 step system is so easy they can be duplicated by everybody and remember *if it’s not in the 4 step system please do not do it cannot be duplicated* so once again and thanks again we look forward to helping her dreams come true.”⁴⁹

17

18

3. Talk Fusion’s products are only purchased by Associates to gain eligibility for commissions.

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⁴⁹ Id.

1 99. The three product packages offered by Talk Fusion (the Starter, Executive,
2 and Professional), cost from \$250 to \$1,499, and require monthly storage fees of \$35
3 to \$215. These fees are used to pay the new Associates' bonuses, and continue the
4 cycle of endless recruiting, as well as create additional revenue to be transferred to
5 the top 20 Blue Diamonds through the "Leadership Bonus." (Exs. 12-13).

6 100. All three packages basically provide the same components: video chat,
7 live meetings, video email, video newsletter, and a voice log:

8 **Executive (Starter):**

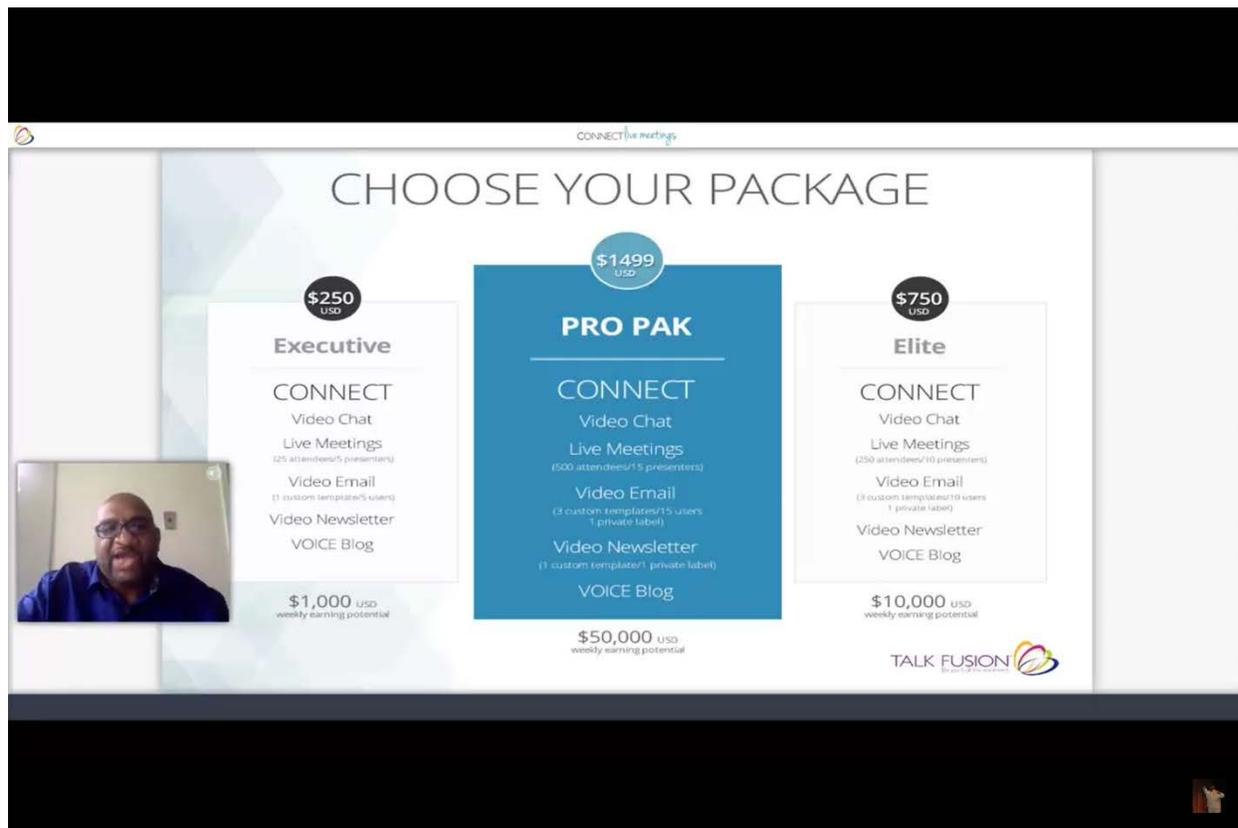
9 The Executive Package comes with Talk Fusion's Connect, video chat, live
10 meetings, video email, video newsletter, and a voice blog—and costs \$250. New
11 recruits are told they can earn up to \$1,000 per week if they purchase this product.

12 **Elite:**

13 The Elite package comes with Connect, video chat, live meetings, video email, video
14 newsletter, and a voice blog. New recruits can increase their alleged earnings
15 potential up to \$10,000 per week if they purchase this product.

16 **Pro:**

17 The Pro Package comes with Connect, video chat, live meetings, video email, video
18 newsletter, and voice blog. New recruits increase their alleged earnings potential to
19 \$50,000 per week if they purchase this product.



101. The real difference between these product packages, however, is their effect on the compensation plan, and the amount of commission an Associate can earn. An Associate's ability to earn derives from the product package they purchase upon joining Talk Fusion, and not retail sales. The potential commissions and Associate can earn are as follows: \$1,000 a week with Executive, \$10,000 a week with Elite, the \$50,000 week for Pro. (Ex. 2).

102. Associates are duped into purchasing the \$1,499 Pro Product, which they neither have any use for, nor would ever ordinarily purchase but for the potential

1 income opportunity. Associates buy Pro under the false pretense that they will earn
2 higher commissions and bonuses. In fact, Talk Fusion’s compensation plan states:
3 “You can maximize the Compensation Plan by being a Pro Associate.” (Ex. 22).

4 103. They are also instructed by Blue Diamonds during recruitment (and
5 training seminars) that they should “Go Pro” as soon as possible, and purchase the
6 Pro product through an upgrade, if they want to increase their chances of receiving
7 higher commissions and bonuses from Talk Fusion.

8 104. Hall of Famer Blue Diamond Cedric Penn often uses the income
9 potential of the Pro-Package as a marketing tool, in persuading prospects to purchase
10 more expensive packages, that the individual normally would’nt have purchased, but
11 for Talk Fusion’s so-called business opportunity. He instructs new Associates in
12 training videos to do likewise:

13 “So that’s why, when I sit down with somebody, I pull out, *I pull out, the*
14 *little bar chart that talks about the ranks, and talks about how much*
15 *income is on those ranks.* And what I do, is I ask them, I say point to where
16 you want to be right now. Point to where you want yourself to be. And that’s
17 how I know if they say diamond or above, or they’ll point at blue diamond,
18 or grand blue diamond. [Inaudible] I tell them no, but get ready to sign up.
19 *If you sign up down here you can’t make that kind income.* ‘Kay? So that’s
important, that’s important that we set the right tempo on the front side of
the business. It’s important to set the tempo on the front side of the business
by going pro the right way. Alright? *So it’s important. Go pro.* And you
want to create that kind of dynamics on the front side. *Cause if you, if you’re*
executive, there’s no way in the world they can make Diamond income. So
*don’t set people up to fail.”*⁵⁰

20 ⁵⁰ <https://www.youtube.com/watch?v=17x2oeS7L4Y>



105. In another video, Mr. Penn stresses the fact that the Pro Package is superior, because it offers a greater opportunity to earn more money. He also specifically instructs new Associates to upgrade to the Pro plan as soon as possible, so they can earn more money with Talk Fusion.

“But you know what nothing happens until you get started that’s why get started get started grabbed associate there now are one-time fee but that doesn’t do anything until what pick a package pick is a description plant is and start sharing. The ladies and gentlemen here are the package’s first packages is called go pro you get connect video checked live meetings video email via newsletter was what you can customize those products anywhere you can remove the logo and for your letter to more partly you can earn up to \$50,000 a week from the company are own home 2nd position is called delete still get all or incredible products still able to customize them but now

1 you can earn up to \$10,000 a week and commissions and then there's the last
 2 position the executive for over \$300 you the products of the station but still
 3 have the opportunity earn up to the dollars a week bullets excited about or
 4 company mindset is we don't want to leave anyone behind so someone
 5 doesn't have 1499 get in at 750, start make some money get them its them
 6 pain or life and an upgrade and just pay the difference if you don't have some
 7 50 get and 300 get in where you fit in but don't miss this opportunity to Mrs.
 8 being the part of the **next Facebook of Twitter or Microsoft her Apple**
 9 called talk fusion its bold, visionary, innovative. You get at 300 you can
 10 upgrade pay the difference is some 50 when you like it's better income starts
 11 following and I are able to upgrade to pro and never to leave any money on
 12 the table. I love that about our incredible company. *The choice is really*
 13 *yours what you want to do you want to limit your dreams metric earn*
 14 *income or increase or income to fill your dreams.*"⁵¹

106. Blue Diamond Hall of Famer Ron Wright appears later in Mr. Penn's
 15 video, and states that Associates' upgrade to the Pro-Package is a one time "out-of-
 16 pocket" expense that will allow them to take full advantage of Talk Fusion's
 17 "business opportunity."

18 *"If you're not Pro, go ahead and upgrade as fast as possible. Because if*
 19 *you believe in Talk Fusion, believe this is the future, this is the company to*
 20 *take to your dreams. That's a one-time cost that you pay out-of-pocket, get*
yourself positioned to take advantage of all the Talk Fusion has to offer."⁵²

107. As mentioned above, an Active Associate becomes Qualified for
 11 bonuses and commissions based on sponsoring new associates and meeting a certain
 12 personal sales volume quota. An Associate's rank in the Talk Fusion corporation is
 13 based on how many Associates are in the participant's downline and how many

⁵¹ <https://www.youtube.com/watch?v=etPVRFRhRgE>

⁵² <https://www.youtube.com/watch?v=l7x2oeS7L4Y>

1 product packages and monthly storage contracts are being purchased by the
2 downline. (Ex. 21-25). The more product packages and monthly storage contracts
3 sold in the Associate's "downline," the greater the bonuses and commissions he
4 qualifies for. Once an Associate reaches the Blue-Diamond Associate level, they can
5 then share in a percentage (from 1% to 2.25%) of the Talk Fusion's total global
6 revenue. (Ex. 13).

7 108. In sum, Talk Fusion's emphasis on selling packages to recruits is not
8 based upon real consumer demand for its products, but instead by the new recruit's
9 desire to earn greater commissions and bonuses under Talk Fusion's compensation
10 plan (which is recruitment based).

11 **4. Commissions ostensibly earned on sales of products and services**
12 **are, in fact, tied to recruitment of new managers.**

13 109. Talk Fusion relies on the promise of Team Commissions and residual
14 income for life to lure new Associates into their pyramid scheme. In practice, Talk
15 Fusion accomplishes this goal by having Associates buy products and monthly
16 packages, and recruit other new Associates to do the same.

17 110. Talk Fusion declares in their compensation plan that a product purchase
18 is not necessary to become an independent associate and participate in the
19 compensation plan. However, binary sales volume is directly tied into an Associate
20 purchasing a product package to participate in the Compensation Plan. To qualify
for team commissions, the Associate must purchase an Executive (or higher) product

1 package. (“Although Team Bonuses may be earned by being an Executive
2 Associate, you can maximize your compensation by being a Pro Associate.”) (Ex.
3 22).

4 111. Thus, to receive any commissions with Talk Fusion, an Associate must
5 make at least a one-time purchase of a product package, and continually purchase
6 service packages, if they want to receive commissions under Talk Fusion’s plan. If
7 Associates stop purchasing a service package, they will no longer qualify to
8 participate in the compensation plan, and their account will be terminated and closed.

9 112. Commissions are paid out using a binary compensation structure,
10 wherein an Associate recruits one associate on the left-hand side and one associate
11 on the right-hand side of their tree. Positions in the team are filled through
12 recruitment directly by a blind associate or indirectly. Talk Fusion tracks the two
13 teams and sales made within the teams. Once 100 Personal Sales Volume is amassed
14 on both sides of the binary legs, a \$25 commission is paid out. Each \$25 payout is
15 referred to as a “binary cycle.” Personal Sales Volume is generated on the sale of
16 product packages, determined by how much the Associate him or herself spends on
17 the products, or was able to sell to customers.

18 113. Purchases of product packages by Associates and new recruits generate
19 particular point values, which vary depending on whether the Associate purchased
20 an Executive, Elite, or Professional package. For example, a “Pro” Associate gets

1 the following point values for product sales by his team of 50 SV for starter;
2 Executive Package-100 SV; Elite Package-300 SV, Pro Package 600 SV.

3 114. Associates that purchase lower-priced product packages receive less
4 points for the above product sales than the Pro-Associates do for like-kind sales.
5 This is why Associates are told they can earn more by “going pro” when they sign
6 up for Talk Fusion. They are told by buying a higher priced package, they can do the
7 same amount of work and earn more money.

8 115. Recruits are told, because Talk Fusion’s communication products have
9 a monthly subscription, that they can earn a regular and reliable source of income,
10 in the form of residual commissions from service package sales. Like the product
11 package above, each of the service package are assigned a point value. Plan A, which
12 costs \$35, provides 20 SV; Plan B, which costs \$65, provides 35 SV; Plan C, which
13 costs \$115, provides 60 SV; Plan D, which costs \$165, provides 85 SV; Plan E,
14 which costs \$215, provides 110 SV.

15 116. As shown above, and in Talk Fusion’s Compensation Plan, the SV and
16 binary system of payout is extremely difficult to follow. This is why Talk Fusion
17 emphasizes the power of duplication in its recruiting videos. And new Associates
18 are told to follow 2 in 72, and the 4-Step System.

1 117. Blue Diamond Steven Mitchell was able to recruit 80,000 individuals
2 using the 4 Step System, and receive commissions of several million dollars.⁵³ (Exs.
3 8-9). His presentation below demonstrates that success with Talk Fusion is based
4 upon Rule of 2 in 72 and recruiting 2 new people who purchase product and service
5 packages, not on sales to retail customers. The statements made below are very
6 similar to others made by other Blue Diamonds at Talk Fusion in recruiting
7 presentations.

8 “Finally, there is the real opportunity to own long-term residual commissions
9 on all the monthly subscriptions paid by all the associates and customers in
10 your team. Money coming in week after week, month after month, for years
11 to come. ***True residual income that I like to call the sitting-on-the-beach-***
money. Because it could be going into your cash-card account even when
your sun-bathing on the beach.

12 Let’s just jump back and explain in a bit more detail, the power of the team
13 commissions and how this one commission alone could generate for you, a
14 life changing income. ***Do you think you might just know two people, who***
would like to send out some video emails, and would like the opportunity
to increase their income? Do you think everyone might just know two
15 people like this? ***Well holding that thought of just introducing two people***
to Talk Fusion, let me show what can happen.”⁵⁴

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20 ⁵⁴ <https://www.youtube.com/watch?v=bPONZGj4cl0>

1 How Good Is Talk Fusion Instant Pay Compensation Plan

2 TALK FUSION
 3 Big Leap of the Associate
 4 **Team Commissions**

5 Do you think we ALL know
 6 **just 2 people** who would like to...

7 A) send video emails
 8 and
 9 B) increase their income?

10 *Let's show you what can happen...*

11 4:26 / 19:13

12 “Firstly, you register as an associate, and start by building two teams: your
 13 left team and your right team. This you do by introducing two associates to
 14 the Talk Fusion business. One associate is positioned on your left and one
 15 on your right. When you have one associate on your left and one on your
 16 right, this is called a cycle. Every time a cycle occurs of one associate on the
 17 left and one on the right, you’re paid a team commission of \$25. So just
 18 remember, one on your left and one on your right pays you a team
 19 commission of \$25. Now, once you’ve introduced two associates yourself,
 20 your next task is to help your two new associates introduce their first two
 new associates, which they also do by starting to build their own left and
 right teams” “So, in this case, you would have earned two team commissions
 of \$25 each; meaning you would have earned \$50 in team commissions.
While that’s okay, but hardly a life-changing income I would agree; hold
 that thought now with everyone just introducing two people.”⁵⁵

⁵⁵ Id.

1 How Good Is Talk Fusion Instant Pay Compensation Plan

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TALK FUSION
The Best of Both Worlds

Team Commissions

You register as an Associate and build 2 Teams by introducing 1 person on your left, 1 person on your right.

When you do this (1 person left : 1 person right is called a 'cycle'), **YOU will just have earned \$25 in Team Commissions** for this 'cycle'.

...so just remember
"1:1 pays you \$25"

10

11 “If these two associates each introduced two new associates, you would have

12 four associates on the next level, in both your left and right teams; and if they

13 introduce two, that would be eight on the next level. Continue this down two

14 more levels, and you would then have 16 associates each side on the next

15 level, and 32 on the level below that. Continue this down just a couple more

16 levels, with each person doing no more than just getting two new associates,

17 that means you would have 64 associate on the next level in each team, and

18 a hundred and thirty-two on the level after that. Well let’s just stop there for

19 now, and see what that’s worth to you. That would be a hundred and thirty-

20 two new associates joining each team this week, and based on the one-and-

one cycle, that would mean you would have 132 cycles occurring, which

times \$25 equals team commissions you would have earned in this week’s

example of \$3300. But even though we have stop there, it’s worth

remembering that in the real world of Talk Fusion it doesn’t stop there: you

could be getting paid down 20 levels, 50 levels, a hundred levels. In fact, you

are paid-down unlimited levels. Have some fun, and work out what you

would be earning, just going down 20 levels, the income potential will make

you fall off your chair. ***In fact you can earn up to \$50,000 a week in team-***

1 *commissions with Talk Fusion. Is that big enough lifestyle changing*
 2 *income for you?”⁵⁶*

3 How Good Is Talk Fusion Instant Pay Compensation Plan

4 **TALK FUSION**
 5 BE LEFT AT THE COMPANY
Team Commissions

6 Here's the exciting and powerful bit...

7 Let's just say with JUST you introducing 2 people, and everyone else just introducing 2 people, you could have as an example 132 people this week join in your left and right teams...

8 132 X 1:1 Cycles = 132 x \$25
 = **\$3,300* in a week!**

9 * Example only

10 You can earn up to **\$50,000 a week in Team Commissions!**

11

12

13 “I mentioned earlier that you could progress through the promotional ranks
 14 to higher and higher income and reward levels. Promotion to higher ranks is
 15 primarily based on increasing the amount of cycles that occur in your teams
 16 each week. If you generate 10 cycles in a week, you are then promoted to
 17 gold associate, and you should expect your earnings to be up around \$2000
 18 a month. Generate 50 cycles in a week, and you’ll be promoted to 3-star
 19 associate, and you would be earning up to \$5000 a month. Once you achieve
 20 100 cycles a week, you will now be promoted to Diamond, and you should
 expect your income to be between \$5000 and \$10,000 a month. Achieve 150
 cycles a week, and you will then be Double-Diamond, and can expect to be
 earning over \$10,000 a month, up to around \$15,000 a month. If you are
 achieving 200 cycles a week, you will be promoted to the Triple Diamond,
 and enjoying a monthly income from 15 to 20,000 dollars a month. Generate

⁵⁶ <https://www.youtube.com/watch?v=bPONZGj4cl0>

250 cycles a week, and you will have reached the penultimate position of Elite Diamond, and your income will be between \$20,000 to \$40,000 a month. Finally, when you achieve 500 cycles in a week, you will have reached the dizzy heights of Blue Diamond, and your income is likely to be in the region of \$40,000 to \$70,000 a month or more. Plus, you are entitled to a share of the global revenue pool.”⁵⁷

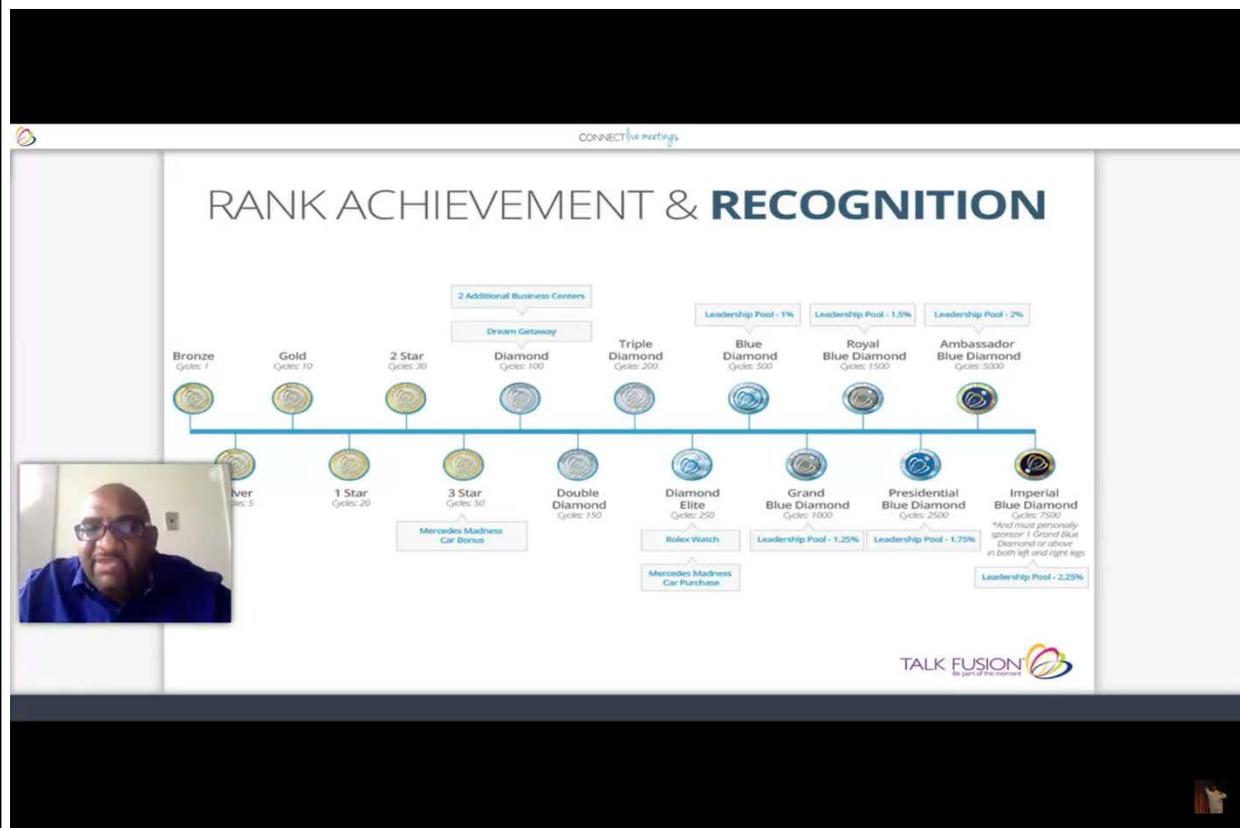


5. Bonuses ostensibly earned on sales of products and services are, in fact, tied to recruitment of new Associates.

118. Talk Fusion expends a great deal of effort to demonstrate how simple it is to earn its bonuses. As shown below, the bonuses are paid out for the recruitment

⁵⁷ <https://www.youtube.com/watch?v=bPONZGj4cl0>

1 of new Associates, and not for sales of products to ultimate users outside the Talk
 2 Fusion Pyramid.



13 119. **Bronze maker bonus:** The core of talk fusion’s compensation plan and
 14 business model is the bronze maker bonus (“the Key to Success with Talk Fusion is
 15 Simple: Achieve the Rank of Bronze, and help others in your Team go Bronze”).
 16 Recruits are instructed to recruit 2 new recruits within 72 hours of joining.
 17 Associates are paid \$20 instantly when they personally recruit two recruits within
 18 30 days. When these two new recruits recruit two other new recruits, the Associates
 19 are paid an additional \$20. The Bronze maker bonus requires recruited associates to
 20 ~~purchase or sell \$100 worth of Talk Fusion product packages. There is no limit to~~

1 the number of bronze maker bonuses an Associate can obtain. Thus, Associates are
2 incentivized to recruit as many new recruits as possible. (Exs. 21-24).

3 120. **Fast Start Bonus:** Associates are also lured into the scheme by the
4 “fast start bonus.” Depending on which product package is sold purchased by the
5 new recruits, the associate is paid the following amounts for a sale:

6 Executive package: \$250 – \$20

7 Elite: \$750 – \$60

8 Pro Package: \$1499 – \$120

9 However, (as shown above), because of the prohibitively expensive sign-up
10 cost for the products (\$300, 750, \$1,499), and Associates’ lack of technical
11 knowledge the concerning the products, Associates cannot feasibly sell these
12 products at retail. Instead, they must sell them to new recruits. Thus, the fast start
13 bonus in reality is a bonus for recruitment.

14 121. **Mega Matching:** Talk Fusion’s Mega Matching bonus rewards
15 Associates for recruiting additional Associates and building a team of recruiting
16 Associates. The bonus allows an associate to earn an additional 10% of the team
17 commissions on their personally sponsored associates’ commissions. For example,
18 if a sponsor sponsors an associate, John, and John’s team has commission of \$300,
19 then the sponsoring associate would receive a \$30 bonus.

20 122. **Rank Advancement and Car Bonus:** Talk Fusion’s business is based
upon recruitment. Thus, rank advancement bonuses are incentivize recruits to recruit

1 additional Associates. (Ex. 12) Recruits who recruit a certain number of downline
 2 associates, which purchase a certain value of Talk Fusion products and services
 3 during a 2-week period, qualify for certain bonuses. These bonuses are only paid one
 4 time.

- 5 Qualified for rank advancement bonuses:
- 6 Double Diamond – \$2,000
- 7 Triple Diamond-a dream getaway trip to Hawaii
- 8 Diamond Elite \$5,000

9 Participants reaching the Ambassador level receive a Mercedes Benz
 10 car allowance. To qualify for the Mercedes bonus, the representative must attain the
 11 rank of 3 stars, and maintain that rank for a two-week period.

12 123. **Leadership Pool:** the Leadership Pool bonus is theoretically available
 13 to participants achieving the rank of Blue Diamond or higher. However, only 20
 14 Associates have ever reached the rank of Blue Diamond. (Ex. 13).

The screenshot shows a presentation slide titled "LEADERSHIP POOL" with a video inset of a man in a blue shirt. The slide text states: "The Leadership Pool is a revenue-sharing Bonus Pool earned by qualified Blue Diamonds & above. Qualified Associates who go Blue Diamond and above share in a percentage of the total Sales Volume generated through Talk Fusion WORLDWIDE." Below this is a table:

RANK	%
Blue Diamonds	1%
Grand Blue Diamonds	1.25%
Royal Blue Diamonds	1.5%
Presidential Blue Diamonds	1.75%
Ambassador Blue Diamonds	2%
Imperial Blue Diamonds	2.25%

At the bottom right of the slide is the TALK FUSION logo. A small video inset in the bottom left shows a man in a blue shirt speaking.

1
2
3 Neither a participant's eligibility for a leadership bonus nor the amount of the
4 leadership bonus is determined by retail sales.

5 124. These rewards are illusory, however, as they exist primarily to benefit
6 the Blue Diamonds, and to lure more victims. Moving up Talk Fusion's ranks is
7 dependent upon bringing in new Associates, who purchase Talk Fusion's overpriced
8 product packages, or pay for the ability to sell Talk Fusion products. Talk Fusion
9 places no emphasis on retail sales to outside customers, and lacks the procedural
10 safeguards to prevent self-consumption to qualify for bonuses.

11 **6. In furtherance of its illegal pyramid scheme, Talk Fusion makes false**
12 **claims about its legitimacy and success.**

13 125. In several marketing and promotional videos, Talk Fusion represents
14 that the company operates with the highest ethical standards, and has an A+ rating
15 from the Better Business Bureau; in a May 16, 2015, recruitment video, Cedric Penn
16 made this false representation, when in actuality Talk Fusion has over 33 complaints,
17 and does not in fact have an A+ rating with the Better Business Bureau. (Exs. 25,
18 26).

19 126. In an effort to add legitimacy to Talk Fusion's operations, the
20 Defendants have made several representations that their main competitors are

1 WebEx, GoToMeeting, and various other conference companies. However, reps of
2 such companies as GoToMeeting have stated they have never heard of Talk Fusion.

3 127. In addition, Talk Fusion makes the representation that it was covered
4 by USA Today and Fox News; however, it fails to mention that USA Today article
5 was actually an advertisement, paid for by Talk Fusion.

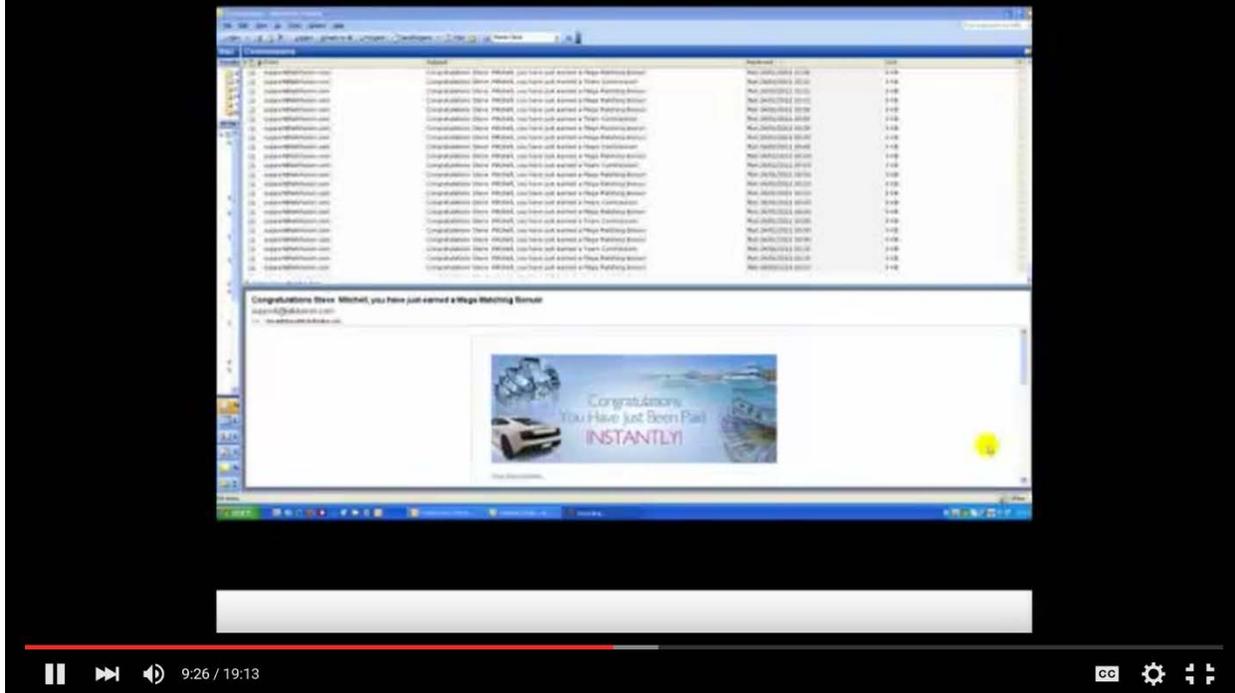
6 128. Finally, despite Talk Fusion's professed policy against making income
7 claims, Talk Fusion employs a custom makes income claims a standard practice on
8 its website, in its magazines, at conventions, and in its advertising.

9 129. Moreover, Mr. Mitchell misrepresents income potential within the Talk
10 Fusion opportunity. In his presentation, he puts an income disclaimer on the screen
11 that seems to imply success or failure at Talk Fusion is dependent one's work ethic
12 (Exs 11 and 12).

13 ***“And if you are thinking, are these big incomes really possible, I will share***
14 ***some figures with you now, before I do, it is important from ethical***
15 ***standpoint, that I show you this income disclaimer, and read out the***
16 ***following statement: success with Talk Fusion results only from successful***
17 ***sales efforts, which requires hard work, diligence, and leadership. Your***
18 ***success will depend on how effectively you exercise these qualities. I***
19 ***mentioned to you earlier on about these bigger incomes that are possible, and***
20 ***for legal and ethical reasons, it wouldn't be appropriate for me now to start***
putting up actual incomes, people's incomes on the screen. Recognize the
fact that there are individuals right now, who are putting the efforts in,
that in a matter of 6 or 7 months are earning anywhere in excess of \$15,000
a week right now. So if your goals and aspirations are the bigger incomes,
and you are prepared with the time and effort into it, uh, clearly, with Talk
Fusion the potential is there for you to earn bigger incomes.”⁵⁸

⁵⁸ <https://www.youtube.com/watch?v=bPONZGj4cl0>

How Good Is Talk Fusion Instant Pay Compensation Plan



7. The arbitration agreement is procedurally and substantively unconscionable and thereby unenforceable.

130. According to Talk Fusion, a prospective Associate must agree to Talk Fusion’s policies and procedures, terms and conditions, and terms of service before they can become an Associate. Prior to submitting their application, Associates must agree to allow Talk Fusion the unilateral right to “amend the policies and procedures, and the marketing and compensation plan at its “sole discretion at any time.” (Ex. 27).

1 131. This unilateral right to amend any provision within the Talk Fusion
2 agreement is not the sole reason why the Arbitration Provision is unenforceable. In
3 fact, as detailed below, there are numerous provisions which are substantively and
4 procedurally unconscionable, and thus make the entire arbitration provision void and
5 unenforceable as a matter of law.

6 In relevant part, the offending provisions are as follows (Ex. 28):

7
8 8.1 – Disciplinary Sanctions

9 “Violation of the Agreement, these Policies and Procedures, violation of any
10 common law duty, including but not limited to any applicable duty of
11 loyalty, any illegal, fraudulent, deceptive or unethical business conduct, or
any act or omission by an Associate that, in the sole discretion of the
Company may damage its reputation or goodwill, may result, at Talk
Fusion’s discretion, in one or more of the following corrective measures:

12 Issuance of a written warning or admonition; Requiring the Associate to take
13 immediate corrective measures; Imposition of a fine, which may be withheld
from Bonuses and Commissions; Loss of rights to one or more Bonus or
Commission payments;

14 Talk Fusion may withhold from an Associate all or part of the Associate’s
15 Bonuses and Commissions during the period that Talk Fusion is
investigating any conduct allegedly in violation of the Agreement. If an
16 Associate’s business is canceled for disciplinary reasons, the Associate will
not be entitled to recover any Commissions withheld during the investigation
17 period; Suspension of the individual’s Associate Agreement for one or more
pay periods; Involuntary termination of the offender’s Associate Agreement:

18 Any other measure expressly allowed within any provision of the Agreement
19 or which Talk Fusion deems practicable to implement and appropriate to
equitably resolve injuries caused partially or exclusively by the Associate’s
20 policy violation or contractual breach; In situations deemed appropriate by

1 Talk Fusion, the Company may institute legal proceedings for monetary
2 and/or equitable relief.

3 8.2 – Grievances and Complaints

4 When an Associate has a grievance or complaint with another Associate
5 regarding any practice or conduct in relationship to their respective Talk
6 Fusion businesses, the complaining Associate should first report the problem
7 to his or her Sponsor who should review the matter and try to resolve it with
8 the other party's upline sponsor. If the matter involves interpretation or
9 violation of Company policy, it must be reported in writing to the Associate
10 Services Department at the Company. The Associate Services Department
11 will review the facts and attempt to resolve it.

12 8.3 – Arbitration

13 Any controversy or claim arising out of or relating to the Agreement, or the
14 breach thereof, shall be settled by arbitration administered by the American
15 Arbitration Association under its Commercial Arbitration Rules, and
16 judgment on the award rendered by the arbitrator may be entered in any court
17 having jurisdiction thereof. Associates waive all rights to trial by jury or to
18 any court. All arbitration proceedings shall be held in Hillsborough County,
19 State of Florida. All parties shall be entitled to all discovery rights pursuant
20 to the Federal Rules of Civil Procedure. There shall be one arbitrator, an
attorney at law, who shall have expertise in business law transactions with a
strong preference being an attorney knowledgeable in the direct selling
industry, selected from the panel that the American Arbitration Panel
provides. Each party to the arbitration shall be responsible for its own costs
and expenses of arbitration, including legal and filing fees. The decision of
the arbitrator shall be final and binding on the parties and may, if necessary,
be reduced to a judgment in any court of competent jurisdiction. This
agreement to arbitration shall survive any termination or expiration of the
Agreement.

Nothing in these Policies and Procedures shall prevent Talk Fusion from
applying to and obtaining from any court having jurisdiction a writ of
attachment, a temporary injunction, preliminary injunction, permanent
injunction or other relief available to safeguard and protect Talk Fusion's
interest prior to, during or following the filing of any arbitration or other

1 proceeding or pending the rendition of a decision or award in connection
2 with any arbitration or other proceeding.

3 8.4 – Governing Law, Jurisdiction and Venue

4 Jurisdiction and venue of any matter not subject to arbitration shall reside
5 exclusively in Hillsborough County, State of Florida. The Federal
6 Arbitration Act shall govern all matters relating to arbitration. The law of the
7 State of Florida shall govern all other matters relating to or arising from the
8 Agreement. Notwithstanding the foregoing, and the arbitration provision in
9 Section 8.3 residents of the State of Louisiana shall be entitled to bring an
10 action against Talk Fusion in their home forum and pursuant to Louisiana
11 law.”

12 Terms of Service (Ex. 30)

13 ‘If an Associate wishes to bring an action against Talk Fusion for any act or
14 omission relating to or arising from the Agreement, such action must be
15 brought within one year from the date of the alleged conduct giving rise to
16 the cause of action. Failure to bring such action within such time shall bar
17 all claims against Talk Fusion for such act or omission. Associate waives all
18 claims that any other statutes of limitations applies.”

19 132. Furthermore, the arbitration provision contained within Talk Fusion’s
20 policies and procedures is one of a contract of adhesion. The provision appears on
page 14 of the policies and procedures. These policies and procedures are one of six
documents presented as part of the Associate Agreement, via hyperlinks, during the
Associate application process. (Exs. 27-30). The arbitration provision appears in the
same font as the other provisions in the policies and procedures, as well as a
subsection within dispute resolution and disciplinary proceeding section.

133. Talk Fusion’s reservation of a unilateral right to modify the arbitration
provision “at its sole discretion at any time” renders the arbitration provision

1 illusory, and thereby makes it substantively unconscionable. (Ex. 27). Because Talk
2 Fusion can unilaterally modify the arbitration provision at a time of its choosing, and
3 without notice to the Associates and customers of its products, it has no obligation
4 to arbitrate.

5 134. Talk Fusion's arbitration provisions subject its Associates, and
6 customers, who do not participate in the compensation plan, but who only purchase
7 the lower priced Executive package, to send video emails to their friends and family,
8 to pay arbitration fees considered prohibitively expensive under AAA's commercial
9 rules. The provision requires an individual to pay location costs for arbitration, and
10 hearing costs that total approximately \$12,000 for a three-day trial. Because of this,
11 Plaintiff would have to travel over 4,000 miles to vindicate his rights, hire counsel,
12 and pay for hotel and airfare. These excessive hearing fees work to preclude Talk
13 Fusion's few legitimate consumers, including those who do not want to participate
14 in the compensation plan, and its Associates, from vindicating their California
15 statutory rights.

16 135. Moreover, it is unclear from the text of the arbitration provision, who
17 decides the issue of delegation, as to which issues are arbitral and which are not. In
18 essence, a consumer who purchased a Talk Fusion Pro package for \$1,499, and paid
19 an additional \$420 in monthly fees (total \$1,999), would have to pay an additional
20 \$12,000 to travel to Florida. Upon arriving in Florida, the consumer would then have

1 to file an arbitration petition to determine if an arbitrator or a judge should decide
2 the issue, and whether the legal claim is subject to arbitration.

3 136. In addition, the scope of the arbitration provision is unclear as to what
4 claims are subject to arbitration. The provision states that “any controversy or claim
5 arising out of or relating to the agreement” is subject to arbitration. However, the
6 provision is limited merely to claims or controversies relating to or arising from the
7 agreement. Claims and Controversy are not defined, nor are examples of such
8 Claims or Controversy provided in the provision. Instead of a very broad provision
9 that uses the language “whatsoever,” Talk Fusion limits the claims to those “relating
10 or arising from the agreement.” It is also not clear from the face of the provision, as
11 to whether the provision is limited to the rights and duties under the agreement, or if
12 it is broad enough to cover the validity of the provision itself.

13 137. Further compounding this issue, there is not an express and
14 unmistakable delegation of this issue to the arbitrator; this is unlike many standard
15 arbitration provisions. As Talk Fusion pointed out, in its *Reply to its Motion to*
16 *Dismiss or/alternative Motion to Transfer*, the forum selection clause must be read
17 in conjunction with the arbitration clause. And as Talk Fusions pointed out, there are
18 claims that are too remote to be included within the scope of the arbitration
19 provision, “possibly such as personal injury claims,” which would no doubt be
20 excluded from the arbitration provision.” In sum, certain claims are subject to

1 arbitration, while others are not. Thus, there is no clear express and unmistakable
2 delegation provision as to who should decide the issue of what claims are subject of
3 the arbitrator or a court.

4 138. Because it requires an Associate or customer to pay their own attorney's
5 fees and costs, the provision further deters Associates and customers, (including
6 consumers who do not participate in Talk Fusion's compensation plan), from
7 seeking redress for harm caused by Talk Fusion's unfair and unlawful business
8 practices.

9 139. A few of these Associates and consumers may have purchased the Talk
10 Fusion products and services for personal use or consumption. Because of the
11 prohibitively expensive administrative fees of Commercial Arbitration, these
12 Associates and Consumers are denied a forum for their grievances.

13 140. As such, these Associates and consumers have taken to filing claims
14 with Florida's Better Business Bureau, which often does not provide the Associate
15 or customer with a resolution to the matter. (Ex. 26).

16 141. In total, over 33 claims have been filed with Florida's Better Business
17 Bureau, relating to Talk Fusion's business practices. (Id.) In particular, many
18 consumers are having an issue with Talk Fusion's 3-day-refund policy. Many
19 consumers are duped into "going Pro," and buying the \$1,499 package of
20 videoconferencing technology that they know little about and will receive little

1 guidance on. If the consumer does not cancel within 3 days of the date of purchase,
2 Talk Fusion does not refund the customer their purchase price. Many Consumers
3 and Associates have brought to Talk Fusion's attention that the three-day return
4 policy violates numerous states' refund and cancellation laws, and the law in Russia,
5 where Talk Fusion does a lot of business. However, Talk Fusion, in many instances,
6 refuses to refund the consumer's or Associate's money. Several Associate and
7 consumer complaints and Talk Fusion responses taken from the Florida's Better
8 Business Bureau website are attached as exhibit twenty-six, and incorporated herein.

9 142. The arbitration provision also requires that Associates **waive their right**
10 **to a jury trial** and access to the courts, but expressly reserves the right for Talk
11 Fusion to apply "to and obtain from any Court having jurisdiction a writ of
12 attachment, a temporary injunction, preliminary injunction, permanent injunction or
13 other relief available to safeguard and protect Talk Fusion's interest prior to, during
14 or following the filing of ***any arbitration or other proceeding*** or pending the
15 rendition of a decision or award in connection with any arbitration or other
16 proceeding." (Ex. 28).

17 143. In addition, under Provision 8.1 of its Policies and Procedures, (above
18 the arbitration provision), Talk Fusion expressly reserves the right, in: "***situations***
19 ***deemed appropriate by Talk Fusion,***" "***the Company may institute legal***
20 ***proceedings for monetary and or equitable relief.***" (Id.)

1 144. In fact, Talk Fusion has expressly exercised its right to file legal actions
2 against Associates. For example, Talk Fusion filed the action *Talk Fusion v. Ulrich*
3 for injunctive relief, breach of contract, purchase interference with a contractual
4 relationship, purchase interference in advantageous business relationship,
5 misappropriation of trade secrets, unfair competition, conversion, conspiracy,
6 purchase interference, and contractual relationship in the United States District
7 Court, middle District of Florida Tampa Division. Case number 8:1111 – CV –
8 01134 – v. MC – AEP. (Ex. 31).

9 145. Moreover, Provision 8.1 allows Talk Fusion to implement legal
10 proceedings for monetary or equitable relief, in any Court having jurisdiction over
11 the matter, and in any venue of Talk Fusion’s choosing.

12 146. Under California law, a jury trial is a matter of right, and is void as a
13 matter of public policy. In Talk Fusion’s arbitration provision, Associates are not
14 given meaningful notice of the jury waiver provision. The waiver provision appears
15 in the same font as the arbitration provision, and is limited to a few quick words.
16 Further, the jury waiver provision does not appear in the governing law, jurisdiction,
17 or venue provision, which addresses claims not subject to the arbitration provision.
18 Because Associates are not given meaningful notice of the jury waiver, an Associate
19 or customer of Talk Fusion cannot be said to have “knowingly and voluntarily
20 waived their right to a jury trial.”

1 147. In essence, Talk Fusion may have access to any and all courts in the
2 United States to seek any remedy, either at law or in equity, before a jury or a judge;
3 however, Associates and customer of Talk Fusion are precluded from receiving the
4 same right; this further demonstrates the lack of mutuality in the arbitration
5 provision.

6 148. Moreover, the terms and conditions incorporated into the arbitration
7 provision, limit the right of an Associate to bring an action against Talk Fusion “for
8 an act or omission relating to or arising from the agreement to within one year from
9 the date of the alleged conduct giving rise to the cause of action. Failure to bring
10 such an action within such time shall bar all claims against Talk Fusion for such act
11 or omission.” In addition, Associates must waive all claims that any other statute of
12 limitation applies. This provision does not apply to Talk Fusion, and would allow
13 Talk Fusion to wait for the one-year-statute of limitations on a claim to expire, and
14 initiate an arbitration, or action in any court, and seek the benefit of California’s
15 four-year statute of limitations, with respect to the act or omission relating to a
16 California citizen.

17 149. Furthermore, Talk Fusion’s arbitration provision limits the venue to
18 Hillsboro County, Florida, for any claim outside of the to arbitration provision, and
19 requires the application of Florida law. (Ex. 28). The governing law section,
20 however, is equally as confusing as the arbitration provision, as it states the FAA

1 (Federal Arbitration Act) governs all matters relating to the arbitration, but fails to
2 specify the applicable law. The choice of law provision, which comes directly after
3 the statement about the law governing the arbitration provision, states the law of the
4 State of Florida shall govern “**all other matters** relating to or arising from the
5 agreement.” As the arbitration provision is a section in the agreement, it is unclear
6 as to what specific law applies to the issue of the validity of the arbitration provision
7 contained within the agreement, because Florida law is expressly excluded from this
8 analysis, based upon the plain meaning of the governing law provision.

9 150. The purpose of these provisions as they apply to California citizens is
10 clear, though. They are an attempt to shield Talk Fusion from liability under
11 California law, in violation of *California Civil Code 1667*, by making it too
12 expensive for California citizens to arbitrate, requiring them to waive a fundamental
13 right to a jury trial in violation of California public policy, limiting the available
14 statutorily mandated four-year statute of limitations for Plaintiffs’ UCL and FAL
15 claims, precluding the right to injunctive relief under the UCL and FAL, precluding
16 the right to attorneys’ fees recoverable under RICO, and limiting the right to recover
17 punitive damages under RICO. In sum, Talk Fusion attempts to strip California
18 Statutory rights from its residents, while expressly reserving all rights and remedies
19 under California law for itself.

1 151. Because Talk Fusion’s arbitration provision is unconscionable, the
2 claims of Plaintiff and the Classes are not subject to arbitration, and this action is
3 properly before the Court. Talk Fusion cannot come to California and solicit clients
4 for its illegal pyramid scheme, and evade redress for its violations of California law
5 by seeking to invoke this patently unconscionable and unenforceable arbitration
6 provision.

7 **8. Under the factors considered by the Ninth Circuit in BurnLounge, Talk**
8 **Fusion is a pyramid scheme.**

9 152. Under BurnLounge, the Ninth Circuit focuses on several factors in
10 determining whether BurnLounge was a pyramid scheme. They are as follows: 1)
11 purchasing patterns, 2) lack of value, 3) requirements for a participant to buy
12 products to increase the earnings potential, 4) lack of consumer safeguards, and 5)
13 an emphasis on marketing.

14 153. Talk Fusion attempts to skirt the first BurnLounge factor, dealing with
15 the purchasing pattern of its Associates, by stating in its policies and procedures that
16 it does not keep track of the income earnings of associates, and thus cannot provide
17 income disclosures to new Associates. It does, however, reveal, the majority of Talk
18 Fusion Associates do not earn any money by marketing and selling Talk Fusion’s
19 products and services to customers. As shown above, Talk Fusion’s associates are
20 forced to purchase \$300, \$750, and \$1499 products, and maintain monthly service
fees of \$35 to \$215, so that they can stay “Active” and “Qualified” to participate in

1 Talk Fusion's compensation program. Thus, the purchase pattern of the distributors
2 will show that Associates purchased premium products, like the Pro Package, at the
3 behest of Blue Diamond co-conspirators. Because these co-conspirators encouraged
4 Associates to buy in order to qualify for compensation, Associates' actions do not
5 constitute retail sales.

6 154. As alleged above, the products and services marketed by Talk Fusion
7 have limited value, and thus the primary motivation behind such purchases by
8 Associates was not legitimate product consumption. Instead, Associates were
9 motivated by the desire to increase their earnings potential. (Furthermore, video
10 emails are available for free from many companies.) In addition, services provided
11 by Talk Fusion's alleged patent pending software, Connect, which is sold in the \$750
12 and \$1499 Executive and Pro packages, are widely available for free. As such, the
13 Associates' purchases of these products is motivated by the potential to increase his
14 or her earnings potential, as opposed to actual and legitimate market demand.

15 155. New Associates are told to go Pro and go Pro early, to increase their
16 chances of making Diamond and their income potential. As shown above, to qualify
17 for commissions, Talk Fusion Associates at a minimum are required to purchase a
18 \$250 starter package, or a \$750 executive package, and to pay \$35 a month storage
19 fee to stay Active and Qualified, for bonuses and commissions. In addition,
20 Associates have to recruit several additional participants to qualify for basic bonuses,

1 or going Bronze bonuses. As such, Talk Fusion’s plan forces Associates to focus on
2 recruitment and buying items—items that an Associate would have never bought,
3 but for the income opportunity doing so offered.

4 156. In addition, it is clear there is a lack of consumer safeguards within Talk
5 Fusion’s organization. Talk Fusion wants Associates to self-consume their products
6 and not attempt to sell them to retail. Once purchased, the product packages are
7 subject to a three-day refund policy. Under Talk Fusion’s compensation plan, very
8 few safeguards exist to prevent Associates from purchasing unnecessary packages,
9 upgrading packages, and continuing to maintain monthly storage fees.

10 157. Finally, and as demonstrated above, it is clear that Talk Fusion
11 Associates focus primarily on recruitment of new Associates over product sales to
12 ultimate users outside the business. The 4-Step duplication system and the Diamond
13 Rush marketing program clearly shows that Talk Fusion’s emphasis was on quick
14 recruitment, as opposed to the sale of viable products to consumers. In fact, Hall of
15 Fame Blue Diamond Cedric Penn is quoted as saying that Associates “should not
16 talk about products,” as they will not succeed at Talk Fusion in doing so. They should
17 instead talk about wealth. This emphasis on wealth creation in marketing programs
18 allowed Steve Mitchell to acquire 80,000 downline members in a short period of
19 time. Moreover, as Defendant Reina’s Flower Shop Example demonstrates, it

1 doesn't matter whether Talk Fusion is selling "flowers" or "videoconferencing
2 software," as long as the potential for wealth and leverage is present.

3 158. In sum, like BurnLounge, FHTM, and the recent VEMMA action by
4 the FTC, Talk Fusion's business model is primarily driven by recruitment of new
5 Associates as opposed to actual sales of products to retail consumers. Like FHTM,
6 which sold memberships with monthly fees, commissions were paid on these fees,
7 and third party products had very small retail margins and affiliates earned money
8 primarily from membership fees of recruited affiliates. Talk Fusion's business model
9 is executed in a similar manner, merely switch out selling memberships, with video
10 conferencing products, or flowers for that matter, and you have Talk Fusion. Talk
11 Fusion's video products are merely incidental to the scheme. While the court is
12 currently looking at how VEMMA handled recruitment in the form of joining
13 packages and monthly auto ship requirements with commissions paid on these
14 purchases, it will likely find this practice violates the law.

15 159. As shown above in this complaint, it is clear that Talk Fusion is
16 operating a pyramid scheme like those found to be unlawful in Burnlounge and
17 FHTM. And thus, all that is necessary is that the court certify a class action, and
18 award plaintiff's damages for the harm they incurred as a result of Defendants'
19 fraudulent and unlawful business practices.

20 **V. PLAINTIFFS' CLASS ACTION ALLEGATIONS**

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160. Each plaintiff was induced to pay money to Talk Fusion by numerous misrepresentations, including false claims that Talk Fusion is a legitimate network-marketing company and not an illegal pyramid scheme. As the direct and proximate result of such misrepresentations, each plaintiff was damaged.

161. This action is brought by Plaintiff as a class action pursuant to Federal Rule of Civil Procedure 23.

162. Plaintiff seeks relief on behalf of themselves and a nationwide class of all persons who were Associates from September 1, 2011, until the present, and who were injured as a result of Defendants' illegal pyramid scheme (the "Class"). Excluded from the class are the Defendants, their employees, family members, and affiliates.

163. Plaintiff also seeks relief on behalf of themselves and a subclass for the California-State law claims, which includes all persons who are members of the class and who were or are Associates and residents of California (the "subclass").

164. The members of the class and the subclass number in the thousands and joinder of all Class members in a single action is impracticable.

165. There are questions of law and/or fact common to the class and subclass, including but not limited to:

- a. Whether Defendants were operating an unlawful pyramid scheme;

1 b. Whether Associates paid money to Defendants in exchange for (1) the
2 right to sell a product and (2) the right to receive, in return for recruiting others in to
3 the program, rewards which were unrelated to the sale of the product to retail
4 consumers;

5 c. Whether Associates were required to make an investment into the
6 pyramid scheme;

7 d. Whether Defendants conduct constitutes an “Endless Chain” under the
8 California Penal Code;

9 e. Whether Defendants omitted to inform Plaintiff and the plaintiff class
10 that they were entering into an illegal pyramid scheme where the overwhelming
11 majority of Associates lose money;

12 f. Whether Defendants engaged in acts of mail and/or wire fraud in direct
13 violation of RICO;

14 g. Whether and to what extent the conduct has caused injury to Plaintiff
15 and the Plaintiff class;

16 h. Whether Defendants’ conduct constitutes an unlawful, unfair and
17 fraudulent business practice under the California Business and Professions Code;
18 and whether Defendant’s conduct constitutes false advertising under the California
19 Business and Professions Code.

1 166. These and other questions of law and/or fact are common to the class
2 and the subclass, and predominate over any question affecting only individual class
3 members.

4 167. Plaintiff's claims are typical of the claims of the class and the subclass
5 in that Plaintiffs were Associates for Talk Fusion and lost money as a result of the
6 pyramid scheme.

7 168. Plaintiff will fairly and adequately represent the interests of the class
8 and the subclass in that plaintiffs' claims are typical of those of the class and
9 Plaintiffs' interests are fully aligned with those of the class. Plaintiff has retained
10 counsel who is experienced and skilled in complex class-action litigation.

11 169. Class-action treatment is superior to the alternatives, if any, for the fair
12 and efficient adjudication of the controversy alleged herein, because such treatment
13 will permit a large number of similarly-situated persons to prosecute their common
14 claims in a single forum simultaneously, efficiently and without unnecessary
15 duplication of evidence, effort, and expense that numerous individual actions would
16 engender.

17 170. Plaintiff knows of no difficulty likely to be encountered in the
18 management of this action that would preclude its maintenance as a class action.

19 **VI. CLAIMS FOR RELIEF**

20 **COUNT I**

1 **JUDGMENT DECLARING FORTUNE'S ARBITRATION AGREEMENT**
2 **UNCONSCIONABLE**

3 171. Plaintiff re-alleges the foregoing paragraphs as though fully set forth
4 herein.

5 172. Plaintiff and the class do not claim the Talk Fusion Associates
6 Agreement is unconscionable, but do claim the arbitration provision contained
7 within the Associates Agreement is procedurally and substantively unconscionable

8 173. Talk Fusion's Associate Agreement, and its incorporation of the
9 Policies and Procedures, contains an arbitration provision.

10 174. Talk Fusion's arbitration provision was presented to plaintiffs and the
11 plaintiff class on a "take it or leave it basis." Plaintiff and the plaintiff class were not
12 given any opportunity to negotiate the terms of the arbitration provision. As such,
13 the arbitration provision is procedurally unconscionable. The talk fusion arbitration
14 agreement arbitrary allows talk fusion to unilaterally resort to the judicial process,
15 while the associate cannot. This lack of mutuality is unconscionable and unfair.

16 175. Talk Fusion's arbitration provision is permeated with substantively
17 unconscionable terms examples of which, while not exhaustive, are as follows:

18 176. Talk Fusion's provision incorporates the Associate Agreements and its
19 accompany documents. Talk Fusion's Policies and Procedures grant Talk Fusion the
20 power to unilaterally modify the terms of the arbitration provision at any time,
thereby rendering the arbitration provision illusory. Talk Fusion's unilateral right to

1 177. modify the arbitration provision renders the arbitration agreement
2 substantively unconscionable.

3 178. Talk Fusion's Policies and Procedures provide an inherently biased
4 arbitrator and arbitrator-selection process. Forcing Associates to arbitrate in an
5 inherently biased arbitral forum renders the arbitration provision substantively
6 unconscionable.

7 179. Talk Fusion's Policies and Procedures require arbitration to take place
8 in the AAA arbitral forum. The AAA. arbitral forum requires an individual Rep to
9 pay costs that total \$18,000.00 for a three-day trial. Most Associates and class
10 members, who have each already lost thousands of dollars during their involvement
11 with the Defendants, do not have the financial means to pay these excessive hearing
12 fees. Accordingly, these prohibitively expensive arbitration costs preclude
13 Associates from vindicating their rights and render Talk Fusion's arbitration
14 provision substantively unconscionable.

15 180. Talk Fusion's arbitration provision prevents an Associates from
16 bringing a class action in arbitration. Accordingly, Talk Fusion's class action
17 prohibition renders the arbitration provision substantively unconscionable.

18 181. The Talk Fusion arbitration agreement also requires that Associates
19 waive their right to a jury trial and access to the courts. However, it reserves the right
20 for Talk Fusion to apply to any Court having jurisdiction for a writ of attachment, a

1 temporary injunction, or any other relief available to Talk Fusion to protect its
2 interests prior to, during, or filing of any arbitration or other proceeding or pending
3 the rendition of a decision or award in connection with any arbitration or proceeding.
4 In essence, Talk Fusion may have access to the Courts to seek a remedy; however,
5 Associates are precluded from receiving the same right; further demonstrating a lack
6 of mutuality in the agreement. This biased pre-arbitration requirement is intended to
7 deter Associates from vindicating their rights. Accordingly, Talk Fusion's pre-
8 arbitration conciliation process is substantively unconscionable.

9 182. Accordingly, the Court should declare that Talk Fusion's arbitration
10 provision is procedurally and substantively unconscionable and that the plaintiff
11 claims are properly before this Court.

12 **COUNT II**

13 **RACKETEERING ACTIVITY IN VIOLATION OF 18 U.S.C. 1962(C)** 14 **(VERSUS ALL DEFENDANTS)**

15 183. Plaintiffs re-allege each of the preceding paragraphs as if fully set forth
16 here.

17 184. Each defendant is a "person" for purposes of RICO, 18 U. S.C. § 1962,
18 because each defendant is, and was at all relevant times, an individual or entity
19 capable of holding legal or beneficial interest in property.
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1 185. All of the Defendants in this action collectively form an "enterprise"
2 under RICO, 18 U.S.C. § 1962, in that they are a group of individuals and entities
3 associated in fact, although not a legal entity.

4 186. In the alternative, the enterprise consisted of Talk Fusion, which is
5 controlled by Defendant Robert Reina, and un-named Blue Diamond co-conspirators
6 such as Cedrick Penn, Ron Wright, and Steven Mitchell.

7 187. In the alternative, the Talk Fusion Pyramid is an enterprise, in that it is
8 an association in fact of all Defendants and others which, although not gathered
9 under any legal entity, operates the illegal pyramid scheme to draw new investors to
10 Talk Fusion.

11 188. The Defendants engaged in a pattern of racketeering activity by
12 participating in a scheme and artifice to defraud, in violation of the mail and wire
13 fraud statutes: 18 U.S.C. §§ 1341 and 1343.

14 189. The Defendants' promotion of an illegal pyramid scheme is a per se
15 scheme to defraud under the mail and wire fraud statutes; thus, the Defendants have
16 committed racketeering acts by promoting an illegal pyramid scheme by using and
17 causing others to use the mail and by transmitting and causing others to transmit, by
18 means of wire in interstate commerce, writing, signs, signals, pictures and sounds,
19 all in furtherance of and for purposes of executing a scheme or artifice to defraud,
20 namely an illegal pyramid scheme.

1 190. Each Defendant has promoted the Talk Fusion Pyramid. Each use of
2 the mail or wire by the Defendants in furtherance of the Talk Fusion Pyramid is
3 therefore an act of racketeering.

4 191. Moreover, the Defendants have used false and fraudulent pretenses to
5 deceive the plaintiffs and the Class, and to thereby obtain money and property from
6 the same. The Defendants have engaged in materially misleading statements of facts
7 and nondisclosure of particular facts, including:

8 A. Creating the false impression that the majority of investors in the Talk
9 Fusion Pyramid will profit from their investment by merely working hard.

10 B. Creating the false impression that Talk Fusion has a unique business
11 model that is unusually generous to investors.

12 C. Creating the false impression that articles, such as the USA Today
13 article, used to induce investments in the Talk Fusion Pyramid were articles
14 written by objective third-parties, when in reality they were paid advertisements.

15 D. Failing to clearly disclose that the purported success and wealth
16 achieved by the individual Defendants through their participation in the Talk
17 Fusion Pyramid is no longer possible, and not due to a failure.

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1 192. These and other misrepresentations at the heart of the Defendants'
2 enterprise were reasonably calculated to deceive a person of ordinary prudence and
3 comprehension.

4 193. Plaintiffs and the class relied on these misrepresentations.

5 194. All of the Defendants acted with intent to defraud.

6 195. The Defendants' numerous acts of mail fraud and wire fraud amount to
7 a pattern of racketeering activity because they are related and continuous. The
8 pattern consists of more than two acts, which occurred from 2007 until present, and
9 consistently throughout that period. The predicate acts of mail and wire fraud are
10 related because they have had the same or similar purpose: to convince new investors
11 to pay to join the Talk Fusion Pyramid by paying money to do so, and to convince
12 those investors to in turn recruit new investors. They have the same result:
13 convincing investors to join the Talk Fusion Pyramid by paying money and having
14 those investors recruit new ones to do the same. They have the same Associates:
15 Talk Fusion's executives and Blue Diamond Co-Conspirators; all of whom promote
16 the Talk Fusion Pyramid. They have the same victims: plaintiffs and class members
17 who were fraudulently deceived into investing in the Talk Fusion Pyramid. Finally,
18 they have similar methods of commission: fraudulent misrepresentations concerning
19 numerous aspects of Talk Fusion's operations made via online presentations, in-
20 person gatherings, and written materials. In short, the predicate acts of wire and mail

1 fraud committed by the Defendants constitute an intricately related set of predicate
2 acts sufficient to meet the relatedness standard.

3 196. Moreover, the predicate acts are continuous. They pose a threat of
4 continued illegal conduct in that the Defendants continue to promote and operate the
5 Talk Fusion Pyramid and have expressed their intention to continue to do so.
6 Additionally, the predicate acts have extended over a significant period of time —
7 the nearly 8 years that Talk Fusion has been in existence. The Defendants' regular
8 business of attracting new Associates is conducted by ongoing mail and wire fraud
9 that misrepresents that Talk Fusion is a legitimate multilevel marketing enterprise
10 and not an illegal pyramid scheme. Without the repeated acts of wire and mail fraud,
11 the Defendants' fraudulent pyramid scheme would not be in existence.

12 197. As a direct and proximate result of the Defendants' acts of mail and wire
13 fraud, plaintiffs and the class were injured in their business and property. Each
14 plaintiff was injured in his or her business or property by reason of the Defendants'
15 pattern of racketeering activity, in that plaintiffs surrendered valuable consideration
16 of at least \$250, and in most cases much more, in order to participate in the inherently
17 fraudulent scheme promoted by the Defendants.

18 198. Each enterprise alleged above was engaged in, or affecting, interstate
19 commerce by reason of, at least, each of the Defendants' numerous acts or omissions
20 constituting use of the mail or interstate wire communication facilities in furtherance

1 of their scheme to defraud. Additionally, each enterprise affected interstate
2 commerce because the members comprising it engaged in business in several states
3 and made use of the mail and interstate wire communication facilities in the process
4 of doing so by causing marketing and promotional materials for Talk Fusion, as well
5 as images, videos, and information to be communicated through regular mail and via
6 the Internet.

7 199. Each of the Defendants is employed by or associated with each
8 enterprise above to conduct or participate, directly or indirectly, in the conduct of
9 the enterprise's affairs through a pattern of racketeering activity, i.e., conducting the
10 affairs of, promoting, and otherwise supporting the pyramid scheme.

11 200. Specifically, Robert Reina. Talk Fusion, Inc., Talk Fusion,
12 International, Inc., and Mane World Productions, Inc. were involved in the creation
13 and dissemination of marketing materials containing misrepresentations regarding
14 Talk Fusion and have authorized the Blue Diamond Co-Conspirators to direct
15 conference calls, websites, web presentations and speeches that contain numerous
16 misrepresentations and that deceive people into participating in the Talk Fusion
17 Pyramid.

18 201. Pursuant to 19 U.S.C. § 1964, Plaintiffs are entitled to recover treble
19 damages, costs, and attorneys' fees.

20 **COUNT III**

COUNT IV

**CONSPIRACY TO COMMIT RACKETEERING ACTIVITY IN
VIOLATION OF
18 U.S.C. & 1962(D)
(AGAINST ALL DEFENDANTS)**

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206. Plaintiffs re-allege each of the preceding paragraphs as if fully set forth here.

207. The Defendants conspired to violate 18 U.S.C. § 1962(a) and (c) in violation of 18 U.S.C. § 1962(d).

208. Each defendant knew about and knowingly and intentionally agreed to participate in and promote an illegal pyramid scheme. Specifically, the Defendants had a meeting of the minds on an object and course of action, namely, to create, support, and maintain the pyramid scheme for their own financial benefit.

209. Each of the Defendants has committed multiple overt acts in furtherance of the unlawful objects of the pyramid scheme.

210. The plaintiffs and the class were injured in their business or property as a result.

211. Pursuant to 19 U.S.C. § 1964, plaintiffs and the class are entitled to recover treble damages, costs, and attorneys' fees.

1 216. Defendants' business acts, false advertisements, and materially
2 misleading omissions alleged herein constitute unfair trade practices and false
3 advertising in violation of the California Business and Professions Code § 17500, et
4 seq.

5 217. Defendants engaged in false, unfair, and misleading business practices
6 consisting of false advertising and materially misleading omissions that were likely
7 to deceive the public and include, but are not limited to:

8 A. Defendants' failing to disclose to consumers that they were entering into an
9 unlawful pyramid scheme.

10 B. Defendants' misrepresenting the amount of money that a Rep would earn;
11 Defendants' misrepresenting those Associates would not need to engage in
12 retail sales to make money and instead would earn the promised revenue by
13 simply self-consuming products and convincing others to do the same.

14 218. Defendants' marketing and promotion of the illegal pyramid scheme
15 constitutes misleading, unfair and fraudulent advertising in connection with their
16 false advertising to induce consumers to join the illegal pyramid scheme. Defendants
17 knew or should have known, in the exercise of reasonable care that the statements
18 they were making were untrue or misleading and did deceive members of the public.
19 Defendants knew or should have known, in the exercise of reasonable care, those

1 California citizens, including Plaintiff, would rely, and did in fact rely on
2 Defendants' misrepresentations and omissions.

3 219. Defendants should be ordered to disgorge, for the benefit of Plaintiff
4 and the Plaintiff Class, their Talk Fusion profits and compensation and/or make
5 restitution to the Plaintiff and the Class.

6 **COUNT VII**

7 **CALIFORNIA BUSINESS AND PROFESSIONS CODE § 17500, ET SEQ.**
8 **(AGAINST ALL DEFENDANTS)**

9 220. The Plaintiffs and the subclass re-allege the foregoing paragraphs as
10 though fully set forth herein.

11 221. Defendants' business acts, false advertisements, and materially
12 misleading omissions alleged herein constitute unfair trade practices and false
13 advertising, in violation of the California Business and Professions Code §17500, et
14 seq.

15 222. Defendants engaged in false, unfair, and misleading business practices
16 consisting of false advertising and materially misleading omissions that were likely
17 to deceive the public and include, but are not limited to:

- 18 a. Defendants failing to disclose to consumers that they were entering into
19 an unlawful pyramid scheme;
- 20 b. Defendants misrepresenting the amount of money that a distributor

1 would earn;

2 c. Defendants misrepresenting that distributors would not need to engage
3 in retail sales to make money and instead would earn the promised revenue by
4 simply self-consuming products and convincing others to do the same.

5 223. Defendants marketing and promotion of the illegal pyramid scheme
6 constitutes misleading, unfair, and fraudulent advertising in connection with their
7 false advertising to induce consumers to join the illegal pyramid scheme. Defendants
8 knew or should have known in the exercise of reasonable care that the statements
9 they were making were untrue or misleading and did deceive members of the public.
10 Defendants knew or should have known, in the exercise of reasonable care, that
11 California citizens, including Plaintiffs, would rely, and did in fact rely on
12 Defendants' misrepresentations and omissions.

13 224. Defendants should be ordered to disgorge, for the benefit of the
14 plaintiffs and the plaintiff class, their Talk Fusion profits and compensation and/or
15 make restitution to the plaintiff and the class.

16
17 **VII. PRAYER FOR RELIEF**

18 225. The named plaintiffs and the plaintiff class request the following relief:

19 A. Judgment declaring Talk Fusion's arbitration provision unconscionable
20 and unenforceable;

1 B. Certification of the class;

2 C. Jury trial and judgment against the Defendants;

3 D. Damages in the amount of the named plaintiffs' and the class's financial
4 loss as a result of Defendants' conduct and for injury to plaintiffs' and the
5 class's business and property, all as a result of Defendants' violations of 18
6 U.S.C. § 1962(a),(c), and (d) and that such amount be tripled in accordance
7 with 18 U.S.C. § 1964(c);

8 E. Temporary and permanent injunctive relief enjoining the Defendants
9 from further unlawful, unfair, fraudulent, or deceptive acts, including but
10 not limited to: operating and supporting the Talk Fusion Pyramid.

11 F. Restitution and disgorgement of monies, pursuant to the California
12 Business and Professions Code;

13 G. The cost and expense of suit, including reasonable attorneys' fees, in
14 accordance with 18 U.S.C. § 1964(c);

15 H. For general, compensatory, and exemplary damages in an amount yet
16 to be ascertained; and

17 I. For such other damages, relief, and pre- and post-judgment interest that
18 the Court may deem just and proper.

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VIII. DEMAND FOR A JURY TRIAL

Plaintiffs hereby demand a jury trial as provided by Rule 38 of the Federal Rules of Civil Procedure.

Date: November 26, 2015

Respectfully submitted,

/s/ Geoffrey J. Spreter
SPRETER LAW FIRM, APC
402 W. Broadway, Suite 860
San Diego, CA 92101
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Geoff@spreterlaw.com

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Dennis Gray

(b) County of Residence of First Listed Plaintiff San Diego, California (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number) Geoffrey J. Spreter, Esq., Spreter Law Firm, APC 402 W. Broadway, Suite 860, San Diego, CA 92101

DEFENDANTS

Talk Fusion, Inc.; Talk Fusion, International, Inc.; Mane World Productions, Inc.; Robert Reina

County of Residence of First Listed Defendant Hillsborough County, FL (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

'15CV2665 LAB JLB

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 18 U.S.C. § 1962

Brief description of cause: Illegal pyramid scheme which violates RICO and Cal. Business and Professions Code § 17200

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ 5,000,000.00 CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 11/26/2015 SIGNATURE OF ATTORNEY OF RECORD s/Geoffrey J. Spreter, Esq.

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
 - (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the six boxes.
 Original Proceedings. (1) Cases which originate in the United States district courts.
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

List of Exhibits

Exhibit	Document
Exhibit 1	Steven Mitchell: Talk Fusion “Business Opportunity” Slide
Exhibit 2	Talk Fusion’s “Business Opportunity” Presentation Slideshow
Exhibit 3	Talk Fusion “Dream” printouts
Exhibit 4	Diamond Rush Training Guide
Exhibit 5	Diamond Rush Training Slideshow
Exhibit 6	“Rule of 2” in 72 slides
Exhibit 7	Bob Reina Diamond Rush Training slides
Exhibit 8	Stephen Mitchell resignation printout
Exhibit 9	Stephen Mitchell Talk Fusion “Business Opportunity” Slideshow
Exhibit 10	Talk Fusion Income Disclaimer
Exhibit 11	Slide from Steven Mitchell Talk Fusion “Business Opportunity” presentation
Exhibit 12	Talk Fusion Rank Achievement and Recognition slides
Exhibit 13	Talk Fusion’s “Leadership Pool” slide
Exhibit 14	Printout re Talk Fusion’s history
Exhibit 15	Talk Fusion, Inc. print out from Florida Secretary of State.
Exhibit 16	Talk Fusion Worldwide, Inc. print out from Florida Secretary of State
Exhibit 17	Maine World Productions, Inc. print out from Oregon Secretary of State
Exhibit 18	Talk Fusion’s Hall of Fame print out
Exhibit 19	Articles regarding Talk Fusion’s replicating website technology
Exhibit 22	Talk Fusion’s Instant Compensation Plan (2011)
Exhibit 21	Talk Fusion’s Instant Compensation Plan (2014)
Exhibit 22	Talk Fusion’s Instant Compensation Plan highlights

Exhibit 23	Talk Fusion's World's First Instant Compensation Plan slide
Exhibit 24	Talk Fusion "Business Opportunity" introduction slide
Exhibit 25	Talk Fusion "Business Opportunity" presentation slide
Exhibit 26	Complaints from Florida Better Business Bureau re Talk Fusion
Exhibit 27	Talk Fusion's Associate Agreement
Exhibit 28	Talk Fusion's Policies & Procedures
Exhibit 29	Talk Fusion's Terms of Service
Exhibit 30	Talk Fusion's Terms and Conditions
Exhibit 31	<i>Talk Fusion, Inc. v. J.J. Ulrich, et al.</i> , Case No. 8:11-cv-01134-VMC-AEP

Ex. 1

VIDEO

menu

PRESENTATION - 28_Timing.jpg

NOW IS THE TIME

Be Part of the Next Big Thing

SKYPE:	\$8.5 Billion
CISCO:	\$44 Billion
YOUTUBE:	\$45.7 Billion
FACEBOOK:	\$67.8 Billion
NETFLIX:	\$88 Billion

TALK FUSION

The Next Billion Dollar Brand

28



Ex. 2

TALK FUSION™
OPPORTUNITY PRESENTATION



OPPORTUNITY:

— BEING IN THE —

RIGHT PLACE

AT THE

RIGHT TIME

Exhibit 2: Page 3



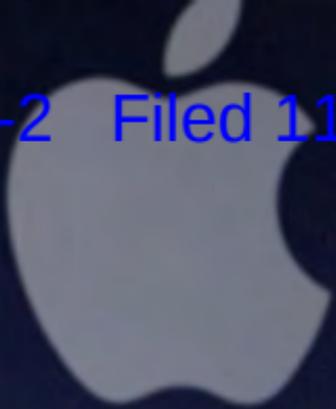
Microsoft
Windows xp

*... made personal computers available to the masses
by developing Windows operating systems.*

Exhibit 2: Page 4

BILL GATES
Microsoft Co-Founder





*... made a more user-friendly interface as
personal computers were gaining popularity.*

Exhibit 2: Page 5

STEVE JOBS
Apple Inc. Co-Founder

facebook

*...developed Facebook at a time
when millions of internet
users were hungry for
social media opportunities.*

Exhibit 2: Page 6

MARK ZUCKERBERG
Facebook Co-Founder



People who **ACHIEVE**
this level of wealth recognize
the **OPPORTUNITY** and turn the
idea into **REALITY**.





So, what is the next big

idea?

Exhibit 2: Page 8



VIDEO

is the
fastest growing segment on the internet.

2665-LAB-JLB Document 1-2 Filed 11/26/15
Skype users spend over **2 BILLION MINUTES**
connecting with each other with video...



Exhibit 2: Page 10

every day!



That's enough time to:

Walk around the globe more than **845 TIMES**

Travel to the moon and back over **225 THOUSAND TIMES**

Fly around the world more than **700,000 TIMES**

Run **6.6 MILLION** marathons

Share more than **33 MILLION HOURS** of singing,
Exhibit 2: Page 11 & staying in touch.

for a record \$8.5 BILLION



*now that's
the value
of video!*

Exhibit 2: Page 12



- **REGISTRATION REQUIRED**

Users **have to register** and create an account

- **OUTDATED TECHNOLOGY**

Poor quality, lagging, **and unreliable connections**

- **DEVICE LIMITATIONS**

Skype users can **ONLY talk to Skype users**

FACT:

Users on different operating systems can't directly video chat.



Exhibit 2: Page 14

THE NEXT BIG THING IS HERE



Exhibit 2: Page 15



Exhibit 2: Page 16

2665-LAB-JLB Document 1-2 Filed 11/26/15

ANY DEVICE TO EVERY DEVICE

Video Chat between any smartphone, PC, and tablet

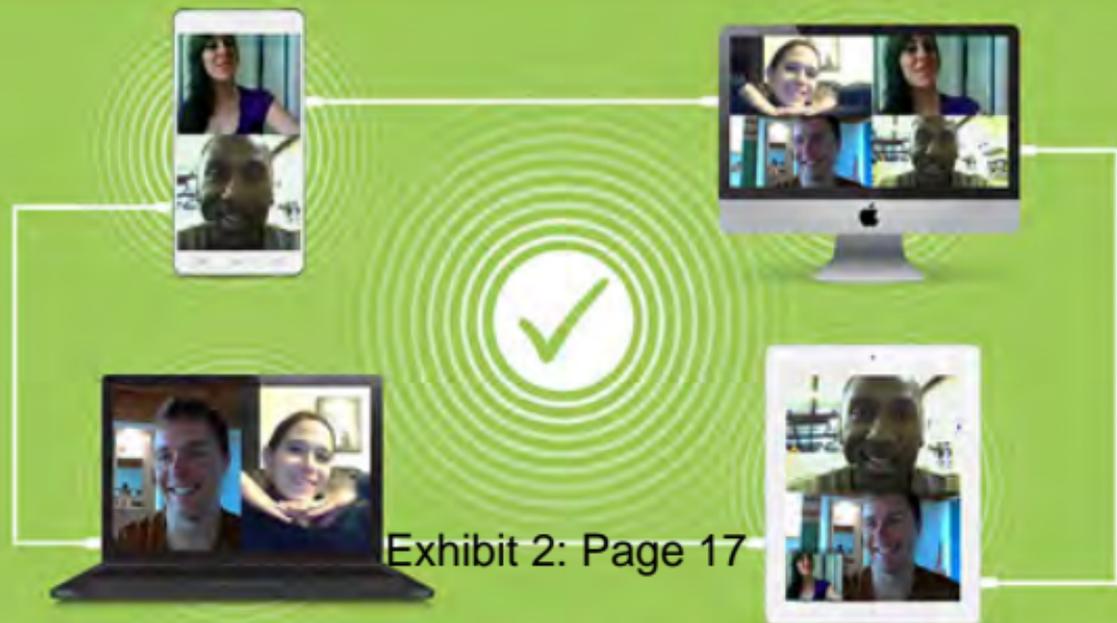


Exhibit 2: Page 17

No Sign-ups • No Accounts

video chat

IMAGINE ALL OF THE USES!



Exhibit 2: Page 18



Exhibit 2 Page 19

LOCATION TOURS: REAL ESTATE PROPERTY



Exhibit 2: Page 20

VIRTUAL SHOPPING: SHOES



Exhibit 2: Page 21

PRODUCT DEMONSTRATION: FLORIST

video chat



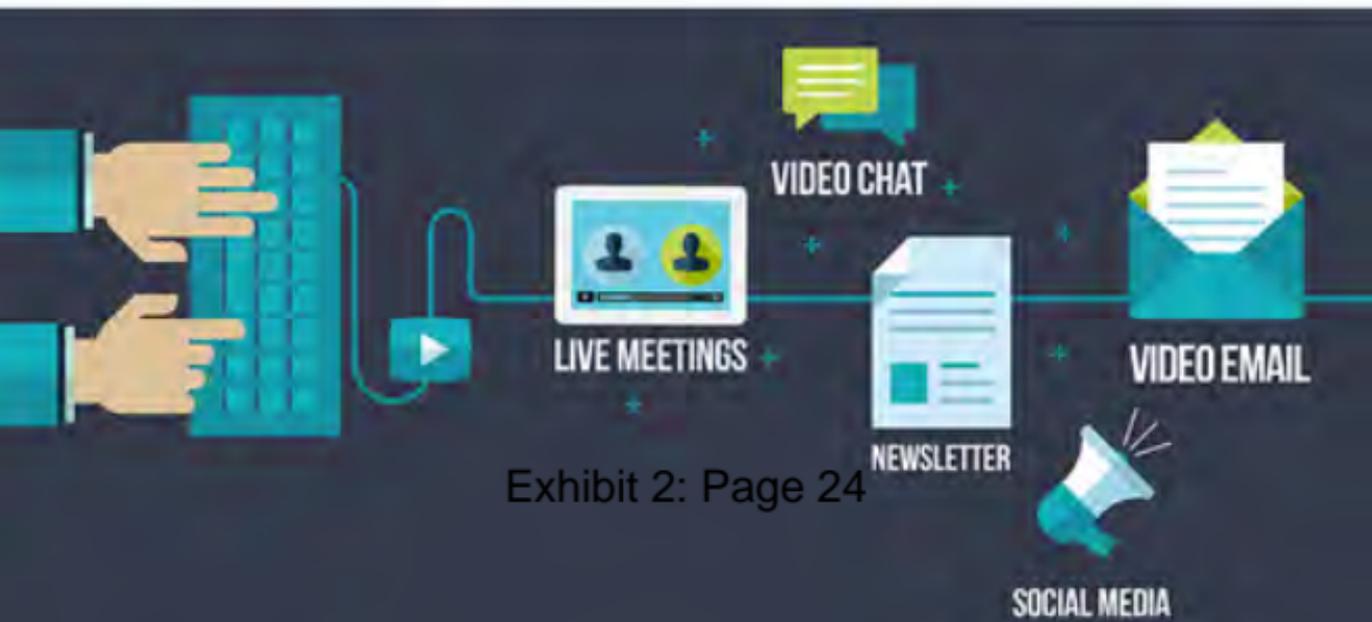
Exhibit 2: Page 22

SHARING EVENTS: FAMILY REUNION

Talk Fusion is revolutionizing
REAL TIME COMMUNICATION
TECHNOLOGY AND PLACING
it in all of our **VIDEO PRODUCTS**



GET CONNECTED WITH VIDEO



EXPAND
your
AUDIENCE

Great for Presentations, Sales Meetings & Hosting Conferences

- Up to 500 attendees
- Share your desktop
- Save time, travel, & money
- Record meetings for playback

YOUR STYLE.
your personality.
YOUR BRAND.

Perfect for Business, Personal & Charity

- Choose from thousands of designs or create your own
- Custom templates and private labeling available.
- Available in multiple languages
- Real-time reporting
- Increase response & engagement

ONE SOLUTION. ONE COMPANY.

- **Founded in 2007**
- **Global headquarters in Tampa, Florida USA**
- **Associates and customers in over 140 countries**
- **Exclusive patent-pending technology**



BOB REINA

Founder & CEO

...made video a key element
in online communication
that changes people's lives.

But best of all, he pays you to share it!



2665-LAB-JLB Document 1-2 Filed 11/26/15

GIVEN THE CHOICE, HOW FAST DO YOU WANT TO GET PAID?

 **MONTHLY?**

 **WEEKLY?**

 **INSTANTLY?**



INTRODUCING THE FIRST AND ONLY INSTANT PAY COMPENSATION PLAN



Exhibit 2: Page 30

Do you know at least **2 people** who want to earn extra income right now?

of course you do!

Exhibit 2: Page 31





Exhibit 2: Page 32

Instantly earn up to \$150 USD every time
there is a product sale on both your left and right teams...

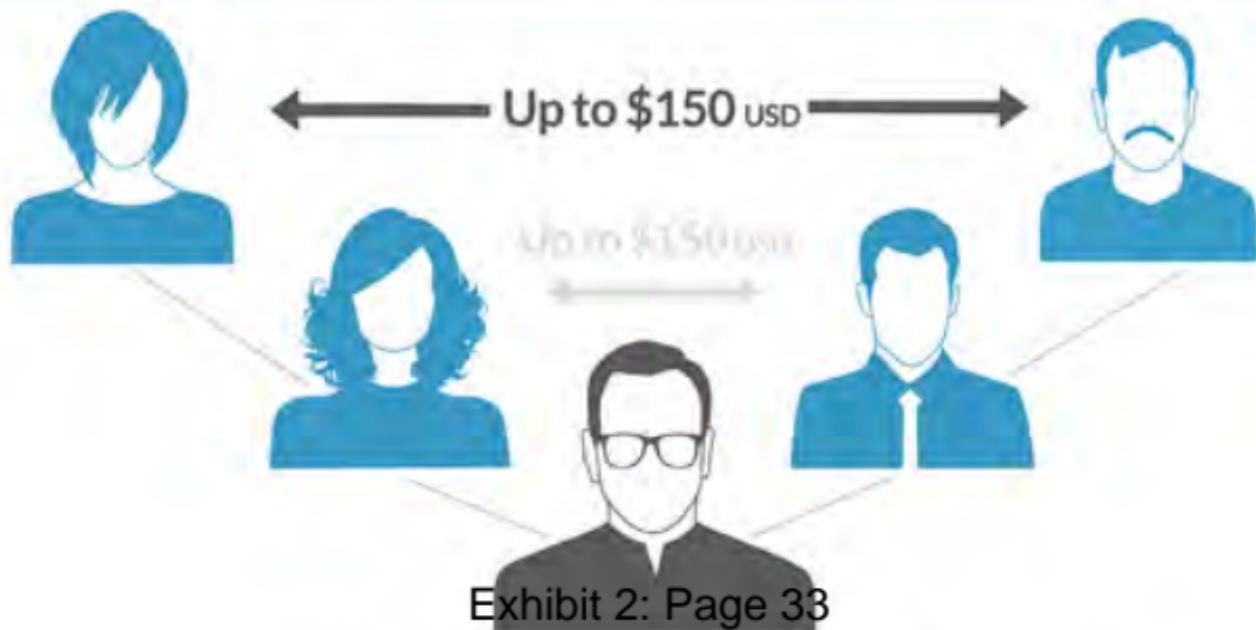


Exhibit 2: Page 38

... whether you made the sale or not!

2665-LAB-JLB Document 1-2 Filed 11/26/15

Get paid to unlimited levels, with a maximum earning potential of \$50,000 USD/week!



Exhibit 2: Page 34

THE POWER OF DUPLICATION

2665-LAB-JLB Document 1-2 Filed 11/26/15

EXCITED PEOPLE
LEAD TO
—MORE—
EXCITED PEOPLE

MONTHS	SALES
12	4,096
11	2,048
10	1,024
9	512
8	256
7	128
6	64
5	32
4	16
3	8
2	4
1	2

Exhibit 2: Page 35

FAST START BONUS

Earn up to \$120 usd on every personal Product Sale



MEGA-MATCHING BONUS

Earn an additional 10% of Team Commissions from your Personally Sponsored Associates.

RESIDUAL INCOME

Earn Residual Income based on monthly product sales



LEADERSHIP POOL

Exhibit 2: Page 36

blue diamonds and above share in a percentage of the total Sales Volume generated through Talk Fusion WORLDWIDE, up to 2.25%.

REWARDS AND INCENTIVES



● Recognition Rings

● Rolex Watches

● Dream Getaway

● Mercedes Madness

Exhibit 2: Page 37

Dream
GETAWAY

JOIN US IN
DECEMBER!



Exhibit 2: Page 38

Maui, Hawaii



1. Become an Associate
\$39 USD One-Time Fee



2. Choose your package*
**optional*

3. Choose a monthly storage plan
For as low as \$35 USD

4. Share with others!

Exhibit 2: Page 39

Choose your package

\$250
USD

Executive

*Affordably priced
and designed for beginners*

CONNECT

Video Chat

Live Meetings

(25 attendees/5 presenters)

Video Email

(1 custom template/5 users)

Video Newsletter

VOICE Blog

\$1,000 USD

weekly earning potential

\$1499
USD

Pro Pak

*If you're ready to go all in &
experience the **BEST** that Talk Fusion
has to offer, this is for you!*

CONNECT

Video Chat

Live Meetings

(500 attendees/15 presenters)

Video Email

(3 custom templates/15 users/1 private label)

Video Newsletter

(1 custom template/15 users/1 private label)

\$50,000 USD

weekly earning potential

\$750
USD

Elite

*Created for people who are
serious about attaining
financial freedom*

CONNECT

Video Chat

Live Meetings

(250 attendees/10 presenters)

Video Email

(3 custom templates/10 users/1 private label)

Video Newsletter

VOICE Blog

\$10,000 USD

weekly earning potential

Exhibit 2: Page 40

THE NEXT BILLION DOLLAR BRAND

WE HAVE THE RIGHT:

- ✓ TIMING
- ✓ LEADERSHIP
- ✓ PRODUCT
- ✓ COMPENSATION PLAN
- ✓ SUPPORT

Exhibit 2: Page 41

all we're missing is you!

THANK YOU

Exhibit 2: Page 42



Ex. 3

*"Bring us your dreams and
we'll do the rest."*

– Bob Reina, Talk Fusion Founder & CEO



1319 Kingsway Rd. | Brandon, FL | +1 813-651-4030 | www.TalkFusion.com



YOUR DREAMS ARE WAITING

Talk Fusion is true relationship marketing; we run directly on the power of people talking to people. Independent Associates in over 140 countries are paid instantly for promoting and sharing the limitless potential of our products. Low start-up cost and a well-structured, proven system of success can set you on the path of financial freedom to realize your dreams!

Instant Pay

One of the most important questions you can ask is: "When will I get paid?" Our answer: "INSTANTLY." Get your money as you earn it.

Be Your Own Boss

Set your own hours. Share Talk Fusion part time or full time: the choice is yours.

Live Your Dreams

Talk Fusion can help give you the financial freedom to turn your dreams into reality – so Dream Big!

No Sales Experience Needed

The principle is simple: "Tell Not Sell." You get paid to share Talk Fusion with the "network" of people you know.

Proven Training

You are set up to succeed with the help of Experienced Leaders, Live and Recorded Business Presentations, and Powerful Online Training.

Innovative Product

Share cutting-edge, patent-pending video technology. No inventory. No storage. Immediate, digital delivery.

GET PAID INSTANTLY

Talk Fusion is the creator of the World's First Instant Pay Compensation Plan because when you earn money, we believe you should receive it IMMEDIATELY! When you make a sale, your commission shows up in your account literally within 3 minutes on your very own Talk Fusion branded Visa[®] card. You earned it, you get it.

Learn more in our Talk Fusion [Compensation Plan](#).

DRIVE YOUR DREAM CAR!

When our Associates qualify for our incredible Mercedes Madness Incentive Program, Talk Fusion will pay them to purchase or lease a luxurious new Silver Mercedes-Benz C-Class; there is even the opportunity for you to have us actually buy you the car outright*!

**Learn more in our Talk Fusion [Compensation Plan](#).*

Twice a year Talk Fusion hosts Dream Getaway, a sensational 5 day, 4 night Hawaiian vacation to reward qualifying Associates for their dedicated work and job well done. Held at the beautiful Grand Wailea Resort in Maui, Associates from all over the world network together as they enjoy paradise on wind-swept beaches under the island sun.

Learn more in our Talk Fusion [Compensation Plan](#).



REAL PEOPLE, REAL RESULTS

Hear firsthand from successful Associates whose lives have been changed forever by their Talk Fusion opportunity. All it takes to join their ranks is desire and the dream to fuel it!



EXPERIENCE THE **OPPORTUNITY NOW!**

We offer incredible business opportunity presentations live daily.



[VIEW TIMES AND LANGUAGES](#)

FAQ

Gives Back

Blog

Events

[Terms of Service](#)

[Policies and Procedures](#)

[Terms and Conditions](#)

FOLLOW US





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Any earnings portrayed in any Talk Fusion marketing materials are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Instant Pay Compensation Plan. All references to income, implied or stated, throughout the Talk Fusion Instant Pay Compensation Plan are for illustrative purposes only. These figures should not be considered as guarantees or projections of your actual earnings or profits. Talk Fusion does NOT guarantee any level of income or earnings to any Associate; any representation or guarantee of earnings would be misleading.

Ex. 4



DiamondRush

training guide

are you ready to make the cut?

If getting to the top of your Talk Fusion business is your goal, read every word in this guide.

Then read them again.

— Bob Reina
Talk Fusion Founder & CEO

Congratulations! You've just joined one of the world's leading relationship marketing companies! Talk Fusion provides the ultimate support system for Associates looking for the education, motivation and inspiration necessary to build a successful business.

You're now on track to realize your dream lifestyle. Along the way, you'll have the opportunity to drive or even own a NEW luxurious Mercedes-Benz on us, show off your success with a well-earned diamond ring and Rolex watch, plus take two Dream Getaway vacations a year!

Now that you have made the important decision to change your life, it's time to take control of it by building a better tomorrow for yourself and others.

You will truly appreciate the power and potential of the Talk Fusion opportunity when you reach the rank of Diamond. When you go Diamond, you will experience the satisfaction of accomplishment and the recognition of your peers, and also be rewarded with the knowledge that you are well on your way to *financial security, freedom, and unlimited choices.*

All of the Associates who have already climbed the ranks to Diamond & above are just waiting for you to join them!

All you have to do now is... go for it!

The Diamond Rush Training Guide will teach you exactly what you need to know to start acquiring Customers and sponsoring Associates today! Our goal is to help you achieve the rank of Diamond *within 200 days or less!*

You will learn the important 4 Steps you must follow to be successful, learn why you need to follow them, and learn how to teach your Personally Sponsored Associates to duplicate these steps *exactly* so you can build a large and active team.

We will show you how to concentrate your time and effort on *activities that produce results!*

start with the basics

You are here to change your life. We are here to give you every opportunity to make that happen. We want you to head down the path to real success; **when you succeed, we all succeed.**

In your Talk Fusion business, you get paid when one of two things happens:

1. Someone becomes a Customer and purchases a product.
2. Someone becomes an Associate and purchases a product.

To maximize your efforts, you want to always concentrate your initial efforts on bringing in business that produces results and income.

to succeed, you must:

COMMIT: Stick with the business for at least one year! Too many people try for only a month or two and then quit. However, like any other business, *it takes time to master the proper skills.* If you commit for at least one year, you should be at a place where you will not want to stop. Fortunately, you will earn while you learn.

PRACTICE: Use the Talk Fusion products every day; become both an expert and your own best Customer.

SHARE: Talk Fusion provides you with a wealth of marketing materials for you to share with your Prospects: *Lifestyles* magazine gives a taste of the dream lifestyle that the Talk Fusion opportunity can provide; *The Solution* showcases all of Talk Fusion's video communication products.

ENCOURAGE: Get your Prospects to watch or attend a Business Opportunity Presentation, either one that is scheduled live several times daily or available 24/7 online by pre-recorded video.

TEACH: Instruct those who "get it" to duplicate your actions by doing the same thing.

If you can learn these very basic steps, then your business will be off to a tremendous start.

duplication works!

Successful people have already learned “the hard way” how to achieve the results YOU desire. You set yourself up for success by modeling your actions exactly after what they have done; this is called “duplication.” They’ve already paved the way for you – all you have to do is duplicate their plan for success!

That means that you don’t have to figure out how to invite a business Prospect, how to conduct a business presentation, or how to follow-up. THAT HAS ALREADY BEEN FIGURED OUT FOR YOU. All you have to do is duplicate what has already been proven successful!

The universal principle behind properly building a profitable relationship marketing business is not whether it works for YOU, but whether it can be duplicated by EVERYONE.

Successful Associates concentrate on simple, duplicable actions that they can teach to anyone. You then pass on the concept of duplication to your team; that way you make sure your entire organization does the same successful steps as you and does them the same way, every time.

Always Remember:

- Your team will duplicate what they watch and learn from your behavior. What you actually *do* – not just what you *say* - is what your people will duplicate.
- If it is not in the Diamond Rush Training Guide, do NOT do it. Either it will NOT work or it cannot be duplicated.

No duplication = small commission check

You cannot “sell” or recruit your way to the top of the Talk Fusion Instant Pay Compensation Plan.

You must DUPLICATE your way to the top.

become SYSTEM DEPENDENT

Products alone will not create duplication; systems do. This is why we are so excited at Talk Fusion. We have unlimited potential with a tremendous, proven *system of duplication* that anybody can follow, the number one video communication products in the marketplace, fantastic market timing, and the World's First Instant Pay Compensation Plan.

*Good companies are people dependent.
Great companies are SYSTEM DEPENDENT!*

dream BIG and own it!

Anything great that has ever happened has been powered by "*the Dream*," by someone wanting something with enough heart and passion that they made it happen. The most successful Associates clearly define their dreams and make attaining that goal their grand purpose. If you have a big enough dream, you can accomplish anything you set your mind and heart to – but first you have to know why you need a change.

To define your "why," ask yourself probing questions like:

- What really motivates me to pursue the opportunity?
- What are my secrets and personal desires?
- What is my main, *ultimate* dream?
- Why do I want it so much?

Once you have clarified your goals and set your intentions, you will be ready to make timely decisions. You must *define, refine and align* your strategy so you won't stray off course. Single-minded dedication is the main directive if you truly want to "Live Your Dream."

Reasons come first; answers come second. Lead with your heart and desire. This will motivate and propel you to *action*. Success is your reward for reaching your goals.

1. write down your dreams

Define where you want to be in the next two to three months, then in six months, and then in one year. Where will you be living? What type of vacation will you be taking? How will your lifestyle be different?

2. remind yourself of your dreams at all times

Find pictures of the people, places and things that define your dreams and display them everywhere you can. Place them on the bathroom mirror, the refrigerator, your desk, your car, and everywhere else you spend time. It's a great way to "keep your eyes on the prize."

As they say, "Seeing *is* Believing!"

3. vocalize your dreams with your loved ones, your sponsor, your upline and your team

Share your dreams directly and personally! This helps you stay focused and committed. It will also help you teach your Personally Sponsored Associates to set concrete goals themselves in order to achieve their *own* dreams.

4. as you build your Talk Fusion business, always remember your dreams and "why" you are working so hard to achieve them

Focusing on your dreams leads to action, which leads to success, which leads to *achieving your ultimate dream*. It's important to know the dreams of your team, too. If they use the advice about calling their upline (you!) for moral support when they're feeling down, you can use their dreams to re-motivate them: "You know, Jim, I remember you once said that being able to send your kids to private school was a huge motivator for you. Can you tell me more about that?" From there, the conversation will almost invariably get Jim re-motivated since he's reminded of the dream he's working for and "why."

there are only 2 requirements

to building a big relationship marketing business:

1. A Dream
2. The willingness to trade 7 to 10 hours per week to achieve that dream

You need the dream - because without it you won't be able to find those 7 to 10 hours. You need those 7 to 10 hours per week because that is how much time the business needs to start up and begin to flourish.

having "the dream" is the secret

that will make - or break - your new Associates within their first two weeks!

We are creatures of habit; we replace old habits with new ones. You and your new Business Associates are already using all 24 hours of every day in probably the same way, day after day, week after week, month after month.

But having an all-consuming, driving dream pushes you to find the necessary "extra" time you might not think you have.

How you spend this newly "found" time will create a *new* habit. If you waste this time just getting ready to get ready, those all-important first two weeks will have gone by and *nothing will have happened*. Your new Associates will lose their excitement and their dreams will get farther away.

On the other hand, if your new Associate takes "action steps" in their first two weeks - such as inviting Prospects and presenting the business - they will start to see success! People will sign up. Momentum will shift! Excitement will increase! Good habits will form! Success will take root! Their future will blossom!

So clearly, the place to start is having a dream, a big dream, and OWNING IT. Find out what first got your new Associate excited. Learn their dreams. Discover their "why." When their dreams are big enough, when their "why" is important enough, that 7 to 10 hours they need will magically appear.

Structure those initial hours and you will have a Leader in the making, one who will be making *you* money.

the dream question

There is a powerful question that reveals a person's dreams:

“If you had all the money you could ever want and all the free time to enjoy it, how would your life be different?”

Would you:

- Live in the same house?
- Drive the same car?
- Take more vacations?
- Pay off your credit card bills?
- Give more to charity or financially help people you have never been able to help before?
- Spend more time with friends, family or loved ones?

You'll discover something very telling from how a person responds. Most likely, under their current conditions, most people can't achieve their dreams. *They need to find a better way.*

THEY NEED TALK FUSION!

4 Steps to Success

The 4 Steps to Success will help you maximize the productivity and effectiveness of your efforts. When you and others get off to a successful start, you will attract more people to Talk Fusion.

This system is simple, teachable and most importantly, it can be duplicated. Remember, duplication is the key. Your level of success will be tied directly to your ability to help others reach their goals and dreams, and that will result from them duplicating the efforts of the successful Associates who came before them.

- STEP 1: Invite**
- STEP 2: Presentation**
- STEP 3: 3-Way Call**
- STEP 4: Get Plugged In**

Before you start, you need to understand who your target Prospects are and how to approach them. Then you can begin your 4 Steps to Success!

Warm Market

Your primary Prospects will be what is termed your “Warm Market.” These are your friends, your family, your long-time business associates, people who have been part of your life and have shared your hobbies and passions. Friends do what friends do; people trust their friends and will follow their advice and their lead.

Above all, this business is based on trust.

You don't have to be a salesperson. You aren't selling anything. You will be sharing Talk Fusion's amazing video communication products and outstanding business opportunity. Because your Warm Market knows you and trusts your judgment, they will be willing to listen as you share.

Do not prejudge! Invite them with *urgency and excitement* within the first 72 hours!

who are you looking for?

Invite your Warm Market first, then continue to seek out people who

- Still have dreams and are willing to do something about it
- Want more than what they currently have
- Want to go places they've never been
- Want to help others they haven't helped before
- Are tired of being average

As you identify Prospects, it is time to start the 4 Step process!

identify their hot buttons

You can use specific questions to determine your Prospect's dreams. This is vital to your 4 Step process. You can remember these by using the initials "F.O.R.M."

F - FAMILY (Would they like to spend more time with their family?)

O - OCCUPATION (Are they in a job that they do not like, or are they not being paid their worth?)

R - RECREATION (If they had more free time, what would they do?)

M - MONEY (Do they need a new house, a new car, to pay off debt or take a vacation?)

STEP ONE - invite

Everyone you meet is a potential Talk Fusion Associate. 95% of people, no matter what their current occupation, are dissatisfied with either their job, their boss, their income, what they are doing and the amount of time they spend doing it, their current lifestyle, their standard of living - or all of the above!

You can offer them the opportunity to have a better life!
Invite them to join Talk Fusion!

getting started

- Build an initial list of 25 Prospects
- Invite them within your first 72 hours - take action *immediately*
- 90% of a successful invitation is *excitement*
- The invitation should only take 1-2 minutes

the perfect timing is now!

Have your Prospect imagine what their life would be like today if they were involved at the beginning of Apple, Facebook, Twitter, Microsoft or any of these other industry giants. That is the opportunity that awaits them right now at Talk Fusion.

invitation tips

- Become a professional inviter – practice
- Do not try to explain the entire opportunity
- Keep it simple
- Share *Lifestyles* magazine and *The Solution* for maximum exposure
- Share the free Video Chat demo from your TalkFusion.com and JoinTalkFusion.com websites so they can see the power of Talk Fusion's video communication products firsthand

Talk Fusion provides you with quality, professional publications that explain both the mindset and the timing behind the Business Opportunity and Talk Fusion's cutting-edge video communication products that are changing the way we communicate.

invite (continued)

Lifestyles magazine shows your Prospects how to live the dream lifestyle! They will learn how others have achieved the financial freedom to make their dreams come true with our Instant Pay Compensation Plan and by sharing world-class video technology. *Lifestyles* magazine is complete with articles on how anyone with passion and dedication has the same amazing opportunity.

The Solution is a full-color showcase of our visionary video communication products that give your business an unbeatable advantage over your competitors! No need to personally explain each product in detail - just hand out *The Solution*. We've done all the explanation for you, including compelling features and benefits that will help you build lasting customer relationships!

You should be handing out three copies of *Lifestyles* magazine and *The Solution* every day. These publications are available at TalkFusionMall.com.

Remember to always stay in the "action" phase, continuously building your Prospect list. Top earners have lists with at least 100 Prospects and are continuously inviting and adding to it.

STEP TWO - presentation

After gaining your Prospect's interest in the Talk Fusion Business Opportunity, you need to quickly take them to the next step.

Talk Fusion has arranged for live Business Opportunity Presentations in multiple languages scheduled throughout the week, with English versions daily. In addition, we have pre-recorded video presentations available at any time, day or night.

Talk Fusion live Business Opportunity Presentations are high-energy demonstrations that highlight the products, the opportunity, and the world-class support that show your Prospects why they need to join Talk Fusion now!

We offer a daily schedule of exciting presentations. Prospects can join Talk Fusion's Top Leaders as they share amazing success stories, instill a moving sense of urgency, and demonstrate why the timing of the Talk Fusion opportunity and our proprietary video technology - powered by cutting-edge WebRTC - positions Talk Fusion as the next Billion-Dollar Brand!

You can find the calendar for live and recorded Business Opportunity Presentations on your self-replicated sites:

[www.talkfusion.com/\(7DigitID#\)](http://www.talkfusion.com/(7DigitID#))

[www.jointalkfusion.com/\(7DigitID#\)](http://www.jointalkfusion.com/(7DigitID#))

Business Opportunity Presentations are available:

- 24 hours a day, 7 days a week
- In multiple languages
- In a live calendar of links on www.talkfusion.com
- In a worldwide event schedule posted in the Associate's Back Office

Invite as many people as you can, as many times as you can and let our professional presentations do all the explanation for you!

STEP THREE - 3-way call

After the presentation, you want your Prospect to meet your Sponsor on a 3-way call to have direct, first-hand conversation with someone doing very well in the business.

Most Prospects will be eager to speak directly with your Sponsor. Even the most skeptical will have 5 minutes to at least say "Hi."

You'll want to share your Prospect's hot buttons (the F.O.R.M. questions, see page 10) with your Sponsor in advance of the call so your Sponsor can apply them to your Prospect's needs.

On the 3-way call, your Sponsor will share their success story and answer any questions the Prospect may have. Be sure to introduce your Prospect to your Sponsor, even if your Prospect has already signed up. You will want to edify your Sponsor to your Prospect. This means you will need to build up your Sponsor and establish him or her as a credible, successful expert. If you edify your Sponsor, your Prospect will immediately develop respect and be more responsive to the things your Sponsor has to say.

Your Sponsor will attempt to close the Prospect at this point.

the key steps of the 3-way call

- The 3-way call occurs immediately after the presentation and will make or break your business - *do not skip this step!*
- Edify your Sponsor as an *expert* and introduce them to the Prospect.
- Sponsor shares their story.

listen & learn

A proper 3-way call should only take approximately 5 minutes. It is a closing call - not another Opportunity Presentation.

Note: If you're not getting 3-way calls from your Personally Sponsored Associates within the first 72 hours, you need to pick up the phone and call them, as they are not following the system.

STEP FOUR - get plugged in

After successful completion of Steps 1 – 3, you will have a new, enthusiastic Associate ready to join you in your Talk Fusion business!

Associates are never more excited than the minute they join. However, you *must* get your new Associates started properly and quickly. Anybody can enroll, but success is optional. You must put them immediately on the path of duplication.

That is why it is critical that new Associates create momentum by inviting Prospects right away, the same way you did. If your new Associate has not personally sponsored two new Associates of their own (1 Associate on your left leg and 1 Associate on your right leg) in the first 72 hours, they are not following the system. Contact them immediately and stress the importance of "2 in 72."

Make sure you introduce your new Associate to multiple upline members so they know they are being supported by a *team*.

By putting Prospects through the system, you will simultaneously develop a team of Associates and Customers. While some people will say "no" to the opportunity, many will still buy the product and become Customers.

When you become your own best customer by using the products on a daily basis (and encourage your own Associates to do the same), you will sponsor both Associates and Customers. When people see the product, they love it and want it. So make sure to use the product on a daily basis to develop relationships with people.

We have even included a free Video Chat demo on your TalkFusion.com and JoinTalkFusion.com websites so you can show someone firsthand how powerful and impressive Talk Fusion's video technology truly is. Who can say "no" to *free*?

Plugging into the **system** is an absolute **must!**

The 2 in 72 Rule - *get on the fast track!*

To jump start your success, it is essential that you “go Bronze” by personally sponsoring 1 Associate on your left leg and 1 Associate on your right leg (100 SV minimum) *within 72 hours of joining*. Then teach your Personally Sponsored Associates to immediately duplicate this 2-in-72 Rule themselves. Follow this system and you can explode your team to more than 2,000 Associates in the first month.

# of Days	# of Associates
Day 1-3	2
Day 4-6	6
Day 7-9	14
Day 10-12	30
Day 13-15	62
Day 16-18	126
Day 19-21	254
Day 22-24	510
Day 25-27	1022
Day 28-30	2046

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20/20 Vision

Achieve the rank of Diamond in 200 days or less

Successfully duplicate Bronze 20 times on your left leg and your right leg and you will have built the foundation to go Diamond and beyond!

You have many incentives to help you along the way! You can qualify to:

- Drive a luxurious Mercedes-Benz on us!
- Enjoy two paid Dream Getaway vacations to Hawaii per year!
- Take time to celebrate your success with a beautiful Rolex watch!
- Show off a dazzling recognition ring awarded from your lifetime earnings milestones!

When you achieve a sponsoring ratio of 1 out of 5 Prospects, you can expect:

- 200 Prospects
- 40 Personally Sponsored Associates
- Achieve 20/20: 20 Personally Sponsored Associates on your left leg and 20 on your right leg

Why 20?

The reality is: not everyone can stick with something. Some people get in and then quit too soon. People quit their jobs, marriages, friendships, hopes and dreams. It's going to happen.

You need to personally sponsor 20 new Associates on each leg because:

- Out of 20 Associates you personally sponsor, at least 3-5 should engage
- It keeps putting new Associates through the system
- Industry rewards loyalty
- Time separates *contenders* from *pretenders*



lead by example

Top performers in Talk Fusion concentrate on teaching their team how to duplicate the Diamond Rush Training Guide and run the system, in turn letting the system run the business. *Their number one priority is making sure that everyone on their team knows and teaches these **4 Steps to Success**.* The only true measure of a team's strength is the number of Leaders in it who are duplicating and teaching the system.

The formula for duplication: *Lead a group of people to consistently do a few, simple actions, over a sustained period of time.*

You can have the best product in the world with the best compensation plan, but unless you learn how to master the distribution of the product by using the system, you will not reach your dreams.

Everything you will ever need has already been provided for you! Let *Lifestyles* magazine, *The Solution*, and daily presentations of the free Video Chat demo on your TalkFusion.com and JoinTalkFusion.com websites do the majority of the work for you!

One of the biggest mistakes that new Associates make is trying to quantify everything. When they do that, they make things needlessly complex. This includes things like building their own custom websites or presentation materials.

True duplication will occur when you focus on simple actions that everyone on your team can do in exactly the same way.

in closing

Ask Yourself This Simple Question:

Within 2-5 years, can you find 40 people who are serious about changing their lives? *Of course you can!* The only way for you to fail is if you quit.

Simply follow the **4 Steps to Success** and you will be on your way to making your dreams come true! Talk Fusion is here to help you every step of the way!



Diamond Rush *worksheet*

20 Personally Sponsored left

you

20 Personally Sponsored right

	_____	_____	
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20 / 20 vision builds the foundation to go Diamond and beyond!



*“Bring us your dreams and
we’ll do the rest.”*

– Bob Reina, Talk Fusion Founder & CEO



1319 Kingsway Rd. | Brandon, FL | +1 813-651-4030 | www.TalkFusion.com

Ex. 5



DiamondRush

training

are you ready to make the cut?

Go Diamond in 200 Days or Less!

- Earn \$2500 USD/week
- Dream Getaway
- Rolex watch
- Mercedes Madness
 - Car Bonus
 - Car Purchase
- Recognition rings



start with the basics

When you succeed, we all succeed!

- **COMMIT**
Stick with the business for at least 1 year
- **PRACTICE**
Use products daily
- **SHARE**
Distribute marketing materials:
Lifestyles and The Solution
- **ENCOURAGE**
Get Prospects to watch or attend
Opportunity Presentation
- **TEACH**
Duplicate the system

duplication works!

The universal principle behind properly building a profitable relationship marketing business is not whether it works for YOU, but whether it can be duplicated by EVERYONE.

become system dependent

*Products alone will not create
duplication – **systems do!***

*Good companies are people dependent
Great companies are **SYSTEM DEPENDENT***



dream BIG and own it!

- What really motivates me to pursue the opportunity?
- What are my secrets and personal desires?
- What is my main, ultimate dream?
- Why do I want it so much?



define your "Why"

1. Write down your dreams
2. Remind yourself of your dreams at all times
3. Vocalize your dreams with your:
 - Loved ones
 - Sponsor
 - Upline
 - Team
4. Remember "why" you are working so hard to achieve your dreams

ask the dream question

If you had all the money you could ever want and all the free time to enjoy it, how would your life be different?

Would you:

- Live in the same house?
- Drive the same car?
- Take more vacations?
- Pay off your credit card bills?
- Give more to charity?
- Spend more time with friends & family?

4 steps to success

STEP 1: invite

STEP 2: presentation

STEP 3: 3-way call

STEP 4: get plugged in

warm market

- Friends
- Family
- Business Associates

you are looking for people who:

- still have dreams and will do something about them
- want more than what they currently have
- want to go places they've never been
- want to help others they haven't helped before
- are tired of being average

identify hot buttons

Ask questions to determine your Prospect's dreams.

F – FAMILY

(Would they like to spend more time with their family?)

O – OCCUPATION

(Do they dislike their job or are they not being paid their worth?)

R – RECREATION

(If they had more free time, what would they do?)

M – MONEY

(Do they need a new house, a new car, to pay off debt or take a vacation?)

STEP ONE - invite

Invite with urgency and excitement in the first 72 hours!

Invitation Tips

- Become a professional inviter – practice
- Do not try to explain the entire opportunity
- Keep it simple
- Share *Lifestyles* magazine and *The Solution*
- Share the free Video Chat demo on talkfusion.com and jointalkfusion.com

the invitation question

Imagine what your life would be like today if you were involved at the beginning of:



The perfect timing is **NOW!**

Lifestyles Magazine

Distribute 3 per day



Showcases success, giving back to others, and people realizing their dreams

- Spotlight feature on Founder & CEO Bob Reina
- Associate success stories from around the world

The Solution

Distribute 3 per day

- Showcases all of our video communication products
- Does all the product explanation for you
- Lists competitive advantages
- Builds lasting customer relationships



STEP TWO - presentation

Live and recorded **Business Opportunity Presentations**

- Show your Prospects why they need to join Talk Fusion now!
- Highlight the products, the opportunity, and the world-class support
- 24 hours a day, 7 days a week
- Available in multiple languages

STEP THREE - 3-way call

Do not skip this step!

- Occurs immediately after the presentation
- Introduce your Sponsor to the Prospect & edify them as an expert
- Sponsor shares their story
- Call should be 5 minutes or less

TIP: *Be sure to share your Prospect's FORM answers with your Sponsor prior to the call*

STEP FOUR - *get plugged in*

Associates are never more excited than the minute they join.

Get Started Right

- New Associates must invite Prospects right away
- Put them immediately on the path of duplication
- Stress the importance of "2 in 72" - Go Bronze!
- Introduce your new Associate to multiple Upline members

The 2 in 72 Rule - get plugged in

You can explode your team to more than 2,000 Associates in the first month!

# of Days	# of Associates
Day 1-3	2
Day 4-6	6
Day 7-9	14
Day 10-12	30
Day 13-15	62
Day 16-18	126
Day 19-21	254
Day 22-24	510
Day 25-27	1022
Day 28-30	2046

20/20 Vision



Successfully duplicate Bronze 20 times on your left leg and your right leg

- Out of 20, at least 3 – 5 should fully engage
- Keep putting new Associates through the system
- The Industry rewards loyalty

lead by example

Duplication = Success!

Duplication: lead a group of people to consistently do a few, simple actions over a sustained period of time.

Success: make sure everyone on their team knows and teaches the 4 Steps to Success.

Ask yourself this: within 2-5 years, can you find 40 people who are serious about changing their lives?

10 Core Commitments

1. Commit to achieving your dreams
 - Set goals within 24 hours
2. Follow the System
 - Diamond Rush Training within the first 72 hours
3. Attend all Corporate/Regional Events
4. Maximum Exposure - TalkFusionMall.com
 - *Lifestyles* magazine & *The Solution* - distribute 3 per day & mail one long distance each week
5. Money Mixer Events
 - Builds confidence, develops leadership, grows your business

10 Core Commitments (continued)

6. Super Saturday Events
 - Builds core group, builds team culture
7. 30 minutes of personal development daily
8. Get a workout partner
 - Encourage each other, grow together
9. Dedicate 7-10 hours per week for 1 year
10. Teach & train your team to execute the other 9 steps

the time is now!



DiamondRush

thank you!



Ex. 6

Get on the Fast Track – The 2 in 72 Rule

Explode Your Team with More Than 2,000 Sales in the First Month

	<u># OF SALES</u>	<u>PRO</u>	<u>ELITE</u>	<u>EXECUTIVE</u>
<u>Day 1-3</u>	2	\$390 USD	\$195 USD	\$65 USD
<u>Day 4-6</u>	6	\$690 USD	\$345 USD	\$115 USD
<u>Day 7-9</u>	14	\$1,290 USD	\$645 USD	\$215 USD
<u>Day 10-12</u>	30	\$2,490 USD 1 Star 	\$1,245 USD	\$415 USD
<u>Day 13-15</u>	62	 \$4,890 USD 3 Star MERCEDES Car Bonus 	\$2,445 USD 1 Star 	\$815 USD
<u>Day 16-18</u>	126	\$9,690 USD Triple Diamond  	 \$4,845 USD 3 Star  MERCEDES Car Bonus	\$1,640 USD
<u>Day 19-21</u>	254	 \$19,290 USD Blue Diamond  MERCEDES Car Purchase*  ROLEX Watch	\$9,645 USD Triple Diamond  	\$3,215 USD
<u>Day 22-24</u>	510	\$38,490 USD Grand Blue Diamond 	\$19,245 USD	\$6,415 USD
<u>Day 25-27</u>	1022	\$76,890 USD	\$38,445 USD	\$12,815 USD
<u>Day 28-30</u>	2046	\$153,690 USD Presidential Blue Diamond 	\$76,846 USD	\$25,615 USD

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THE POWER OF 2



MULTIPLY YOUR SUCCESS!



You Must Personally Sponsor 2 to Qualify for Commissions

The earnings portrayed in this presentation are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Compensation Plan. There is no guarantee of success or commission of any kind. Any representation or guarantee of earnings would be misleading. Success with Talk Fusion results only from successful sales efforts, which require hard work, diligence and leadership. Your success will depend on how effectively you exercise these qualities. The purchase of a Talk Fusion Associate is completely optional and is not required for an Associate to participate in the Talk Fusion Compensation Plan.



Ex. 7



DiamondRUSH
TRAINING
FAST TRACK



How do you build a HUGE Team?

- 1 You must begin with a LIST. Add to it daily.
- 2 Most people know 300-500 people by full name.
- 3 100 who know 100 who know 100 = ONE MILLION PEOPLE.
- 4 Do NOT prejudge anybody.
- 5 Must put each one through a duplicable system of income.



FAST TRACK

TALK FUSION
Do part of the morning



You **MUST** Develop a POWER ATTITUDE!
Some Will – Some Won't – So What –
NEXT!



Solid Duplication begins with sorting for the right people

- 1 How many oysters does it take to find one pearl?
- 2 Who would you like on your team?
- 3 Always be positive.
- 4 Shorten their learning curve with the 4 Steps.



FAST TRACK

TALK FUSION
Be part of the moment!



Step 1: Invite

- ① A new Associate should NOT present the Opportunity.
- ② A new Associate should be a professional inviter. Invite top 25 Prospects right away with excitement.
- ③ Master the art of creating interest.
- ④ Inviting should take 1-2 minutes.
- ⑤ Do NOT do a Presentation at the Invite stage.



FAST TRACK



Invite Question

Have you heard of a company named Talk Fusion?

As Facebook revolutionized Social Media, Talk Fusion is doing the same thing to the next big Internet craze: video. Best of all, they are paying people to do it.

By 2015, 90% of all Global Internet Traffic will be video based. This makes Talk Fusion the number one in-demand product in the world.

All you do is ask people if they are interested in making money and invite them to a quick 20-minute Online Presentation. There are no meetings necessary, no face-to-face selling and no convincing.



FAST TRACK





Step 2: Presentation

- ✓ Have your Prospect watch or attend the next available Presentation—create urgency.
- ✓ Over 20 occur daily—multiple languages.
- ✓ The Prospect will see the Products, Business Opportunity, testimonials and our duplicable System of income.



Step 3: 3-Way Call

- ✓ Do NOT skip this step or your business will NOT DUPLICATE.
- ✓ Follow up immediately after the Presentation.
- ✓ Edify your Upline Expert first. Borrow their credibility, prestige and experience.
- ✓ Introduce to Upline even if Prospects sign up.



FAST TRACK



Identify Prospects' Hot Buttons

FORM Method: Relate to the Prospect

F – FAMILY

Would they like to spend more time with their family?

O – OCCUPATION

Are they in a job that they do not like, or are they not being paid their worth?

R – RECREATION

If they had more free time, what would they do?

M – MONEY

Do they need a new house, new car, to pay off debt, or take a vacation?



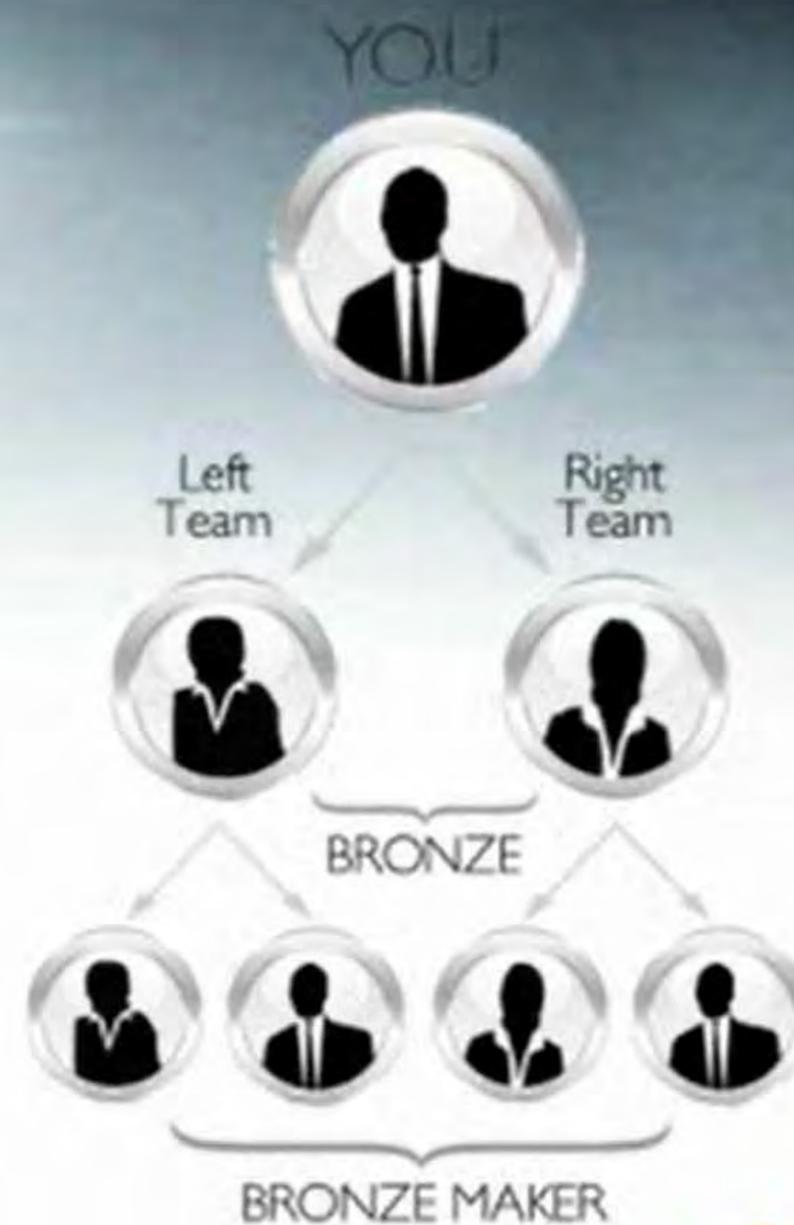
Remember

- ✓ If you do all the work by yourself, they will not join because they know they cannot do it themselves.
- ✓ But if you spend 1-2 minutes creating interest, they will say "I CAN DO THIS"!
- ✓ Keep it simple: complicate = intimidate



Step 4: Get Plugged In

- ✓ Associates will never be more excited than the minute they join.
- ✓ Immediately introduce to Upline Experts.
- ✓ Get to work instantly—build their Top 25 Prospect List.
- ✓ 2 in 72—Go Bronze—Repeat with Personals and Go Bronze Maker



*Within 2-5 years, can
you find 40 people who
are serious about
changing their lives?*



The Time is Now

- ✓ Commit to Achieving Your Dreams
- ✓ 2-5 Year Plan—Takes Hard Work & Sacrifice
- ✓ Follow the System
- ✓ Dedicate 7-10 Hours/Week for 1 Year



Ex. 8

MLM NEWS	EARNINGS FORM	ADD A COMPANY	TOP EARNERS RANKS	LIFETIME TOP EARNERS RANKS	RECOMMENDED DISTRIBUTORS	SUBSC
IN THE SPOTLIGHT!	SUPPORT & FAQ	ABOUT US				

Steve Mitchell Resigns From Talk Fusion

by TED NUYTEN on SEPTEMBER 4, 2013



Talk Fusion Associate, **Steve Mitchell**, who was one of Talk Fusion's top income earners achieving the rank of Grand Blue Diamond with a global downline of over 81,000 has made the decision to resign his Talk Fusion independent Associate distributorship.

Steve Mitchell was recently voted in the [Top mlm networker 2013 poll](#) achieving nr. 18 position, and was in the Business For Home – [Hall of Fame](#)

Steve stated that *"the time was right to move on with a new chapter in our career – to pursue exciting new global challenges, where we can make a bigger impact on helping more people get closer to their dreams, faster."*

Steve merely put the reasons for choosing to leave Talk Fusion as *"personal and business reasons"* and went on to say *"Our time with Talk Fusion has been an exciting period in our career – both challenging and rewarding."*

We value and appreciate the strong leadership of Talk Fusion's CEO, Bob Reina, and have learned a great deal from Bob. The support from the Talk Fusion Corporate Office has been first-class, and the friendships we have made with the Executive Team, Field Leaders and across the entire Talk Fusion network we hope will remain long into the future."

This incredible relationship marketing business has been very good to us, taking Yvette and I from totally broke with everything lost, to now enjoying an incredible lifestyle.

"After 24 years of building successful networks globally, what's more important to us now is how many lives we can positively change! We feel we have a responsibility to help many more people get the chance we have had to 'change their lives', and we want to do that faster. It is no longer about us ...it is about how we can help others achieve their goals and dreams, just as we have."



Get Our FREE Direc

SEARCH THIS WEBSITE (FAST)

GET OUR FREE DIRECT SELLING NEWSLETTER, ALREADY 93% OF OUR WORLDWIDE SUBSCRIBERS!

MLM TRENDING TOPICS – BASED ON GOOGLE ANALYTICS (LAST 2 DAYS)

1. Direct Selling Momentum Ranks November
2. Top 100 Global Direct Selling Companies
3. The Top Direct Selling Companies In The Poll
4. 100 Solid Top MLM Companies
5. Jeunesse Convention #ONEJNS Sells Over 4,000 Independent Distributors
6. Top 200 Worldwide Earners In MLM – January
7. Jeunesse Earners 11 Awards in Prestigious Competition
8. Top Earners Ranks
9. Total Life Changes Selects New Orleans for The TLC 2016 Awards Show & Next-Level
10. Direct Selling Momentum Ranks October
11. The Top Direct Selling Companies In The Poll
12. The Best MLM Compensation Plan - Poll: Growth
13. Forbes: The MLM Industry Is Poised For E
14. Top 200 Worldwide Earners In MLM – March
15. Purium CEO's Top 3 Lessons
16. Solavei Closes Down
17. The Top Direct Selling Product 2015 - Poll
18. Top Industry Leader Ahmed Morad Joins
19. Top Direct Selling Compensation Plan – February
20. The Top Direct Selling Companies In The – Poll
21. Top 150 Worldwide Earners In MLM - April
22. The Booming Business of Direct Selling
23. Submit Your Income
24. Top 100 Global Direct Selling Companies
25. Direct Selling Brands Among Personal-Care Market To Hit \$16 Billion By 2020



"We are naturally sad that this Talk Fusion chapter in our career is now drawing to a close, but we're incredibly excited about what the future will bring, particularly for the many people we look forward to helping 'change their lives' as we embark on our next chapter, with very exciting times ahead!"

About Steve Mitchell: www.SteveMitchell.pro

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- Systems
- Natura Cosmetics Grows And Invests In Argen
- Jeunesse Convention #ONEJNS Sells Out To 4,000 Independent Distributors
- Purium CEO's Top 3 Lessons
- Solavei Closes Down
- Tyra Beauty Launches Anti-Smoking Campaig
- NHTC Opens First Healthy Lifestyle Centre In

LIVE TRAFFIC

19 Comments

Sort by **Newest**

Add a comment...



Lisa Panton

I am pleased for you Steve. Can not wait to see the next chapter unfold. See you at the top.

Like · Reply · 3 · Sep 6, 2013 3:29pm



Flavio Gutiérrez · Ingeniero Electrico at CNEL(Corporacion Nacional de Electricidad)

When will Vi be Launched in South America ?

Like · Reply · Sep 6, 2013 5:39pm



Ilgiz Tagirov · Уфимский государственная академия искусств

У каждого свой путь, Стив! Молодец, что сказал в эфире. Мужественно!

Like · Reply · Sep 6, 2013 1:35pm



Tomi Brown · Owner at Business Center - Blogging

Thanks Steve for all your help and all the best in your next venture.

Like · Reply · Sep 5, 2013 6:46pm



Sharon Yzaguirre · Co-Founder at Media Energizers

Wishing you and Yvette the best personally and in all your business ventures. Your a great leader and all who have had the pleasure to be a part of your leadership, I know have grown from it. Your friendship will always be Treasured! Please remain in touch.

Like · Reply · Sep 5, 2013 9:58am



Beverly McGregor Monical · Tampa, Florida

I will miss you Steve. You have always been a big help to me. I appreciate you and pray your future is bright.

Like · Reply · Sep 5, 2013 9:06am



Dita Kasparova · Works at Missiva spol. s r.o.

God bless you both. It was a great experience to meet you in person in Prague. Thank You both! Good luck.

Like · Reply · 2 · Sep 4, 2013 11:20pm



Andre Simpson · President at Black Wall Street Tampa

It's just business, nothing personal.

Like · Reply · Sep 4, 2013 7:47pm · Edited



Clarence Colp · Liverpool, Nova Scotia

Blessings Steve & Yvette. Thanks for all your help and motivation.

Like · Reply · 1 · Sep 4, 2013 7:42pm



Marlena Thomas Burton

Thanks Steve & Yvette, I learned a lot from your leadership. It's all about relationships whether we are in the same company or not. God bless.

Like · Reply · Sep 4, 2013 7:29pm



Adien Syaputra · Works at Self-Employed

Good luck Steve! We'll always remember your.

Like · Reply · 2 · Sep 4, 2013 6:45pm

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- A visitor from Inglewood, Usa States viewed [Top 200 Worldw](#)
- A visitor from Kiev, Ukraine viewed [Direct Selling Moment](#)
- A visitor from Oregon, Usa viewed [Top Industry Leader Jo](#)
- A visitor from La Paz, Bolivia viewed [The Top Direct Selling](#)
- A visitor from Wanta, Costa States viewed [MLM News »](#)
- A visitor from United States viewed [GOR\(I\)D GN Introduc](#)
- A visitor from San Francisco, United States viewed [Top 200](#)
- A visitor from Henderson, Unit States viewed [Sagevi Closes](#)
- A visitor from Dublin, Ireland viewed [Direct Selling Moment](#)
- A visitor from Cincinnati, Oga

[Real-time view](#) · [Get FeedIt](#)

DIRECT SELLING INTERVIEWS

- Jennifer Maret Moran – IDLife Top Earner Interview
- Interview With 28 Year Industry Veteran, Robert Hollis
- Gregg Renfrew – CEO Beautycounter Interview
- Sheri McCoy – Avon CEO Interview
- iNovaLife – Management Interview
- Tim and Petya Edwards – Top Leaders Interview
- Ken Brailsford – Founder Zija International Interview
- Interview with Brian Cook And Michelle Jones Of Seacret
- Interview With Lynne Cote CEO Of CAbi
- Wor(l)d GN – Alfonso Galdi CFO Interview
- Interview With Tastefully Simple's Nancy Dahl

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CATEGORIES

- Company Reviews
- Controversial Guys and Girls
- Corporate Leaders Interview
- Direct Selling Company Reviews
- Direct Selling Interviews
- Direct Selling Secrets
- Facebook Likes Rankings
- Guest Authors
- Info
- Leader Reviews
- MLM Celebrities

Jo Clark – Rodan + Fields Top Leader Interview
NuViza Top Leader Interview With Deniz Felix Tinoco
Lisa Wilber – Avon Top Income Earner Interview
Brian McLane – CEO Safe ID Trust Interview

MLM Country Report
MLM Facts
MLM Lawsuits
MLM Top Earners
Momentum Ranks
Network Marketing Books
News
Newsletter
Poll
Top Earner Reviews

Ex. 9

WELCOME TO THE
WORLD'S
FIRST
INSTANT
PAY
COMPENSATION
PLAN



1. Fast Start Bonuses
2. Team Commissions
3. Bronze Maker Bonuses
4. Mega Matching Bonuses
5. Advancement Bonus
6. Leadership Revenue Share
7. **Residual Commissions**
Every 5 Associate subscriptions in your left and right teams, **earns you \$25 every month** on all the Associates within your **entire Team**, paid down **unlimited levels**, paid to you **month-after-month!**

Full details of the Talk Fusion Pay Plan available in the Compensation Plan document which can be downloaded

4/2/15



How Good Is Talk Fusion Instant Pay Compensation Plan



TALK FUSION
the size of the industry

Team Commissions

Do you think we ALL know
just 2 people who would like to...

- A) send video emails
and
- B) increase their income?

Let's show you what can happen...

© 2015 Talk Fusion

How Good Is Talk Fusion Instant Pay Compensation Plan



TALK FUSION
NO COST TO THE ASSOCIATE

Team Commissions

You register as an Associate and build 2 Teams by introducing 1 person on your left, 1 person on your right.

When you do this (1 person left : 1 person right is called a 'cycle'), **YOU will just have earned \$25 in Team Commissions** for this 'cycle'.

...so just remember
"1:1 pays you \$25"



© 2015 Talk Fusion

How Good Is Talk Fusion Instant Pay Compensation Plan



Team Commissions

You then help the 2 people you introduced to find 2 people of their own.
...remember

"1:1 pays you \$25"

So for these 2 new Associates that joined both in the left and the right, creating 2 times 1:1 Cycles, you earned \$25 for each cycle = \$50

Remember just 1 new Associate in your Left Team and 1 new Associate in your Right Team creates a 'cycle' and earns you \$25!



00:00



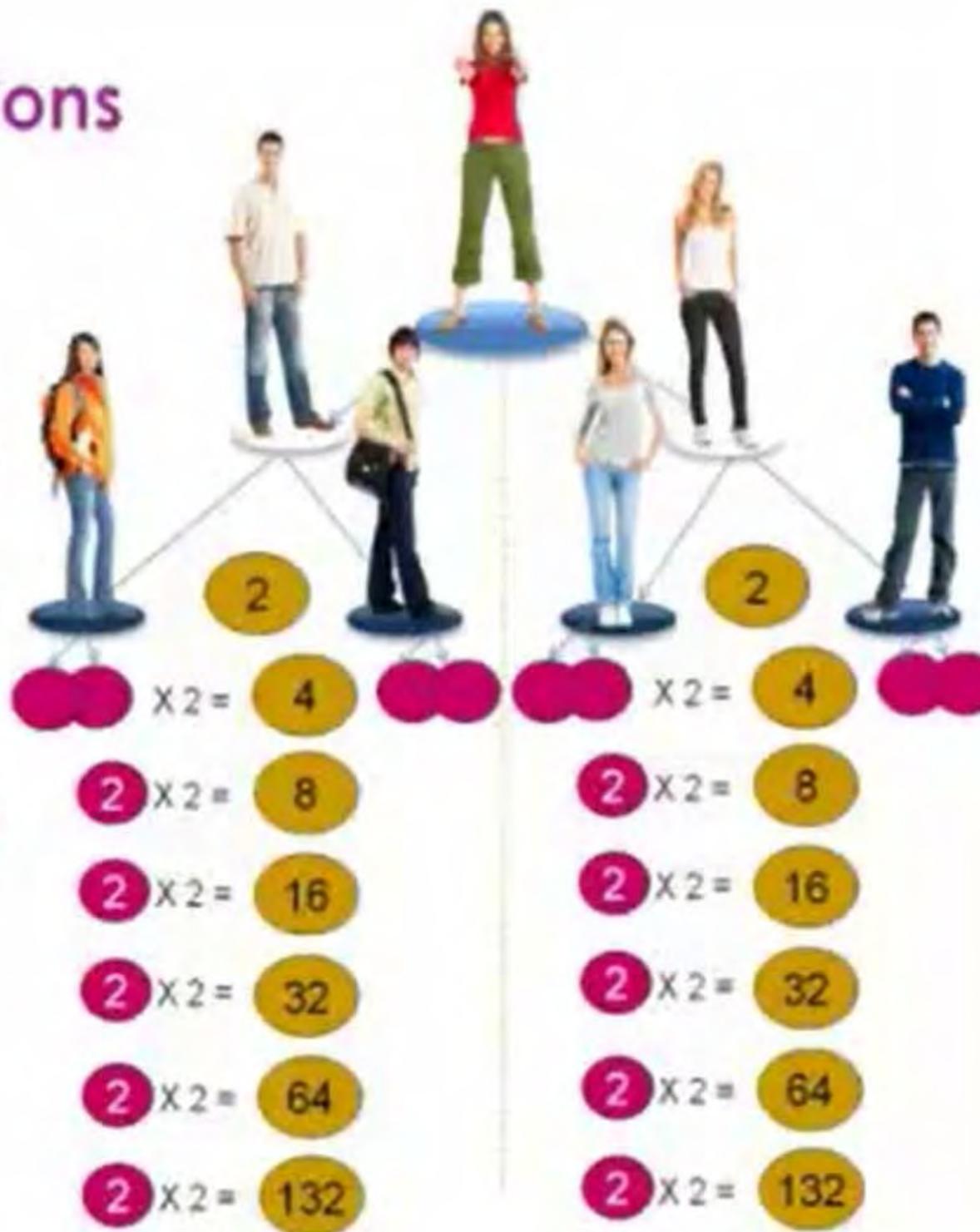
Team Commissions

Here's the exciting and powerful bit...

Let's just say with JUST you introducing 2 people, and everyone else just introducing 2 people, you could have as an example 132 people this week join in your left and right teams...

132 X 1:1 Cycles = 132 x \$25
= \$3,300* in a week!

* Hypothetical Example



How Good Is Talk Fusion Instant Pay Compensation Plan



Team Commissions

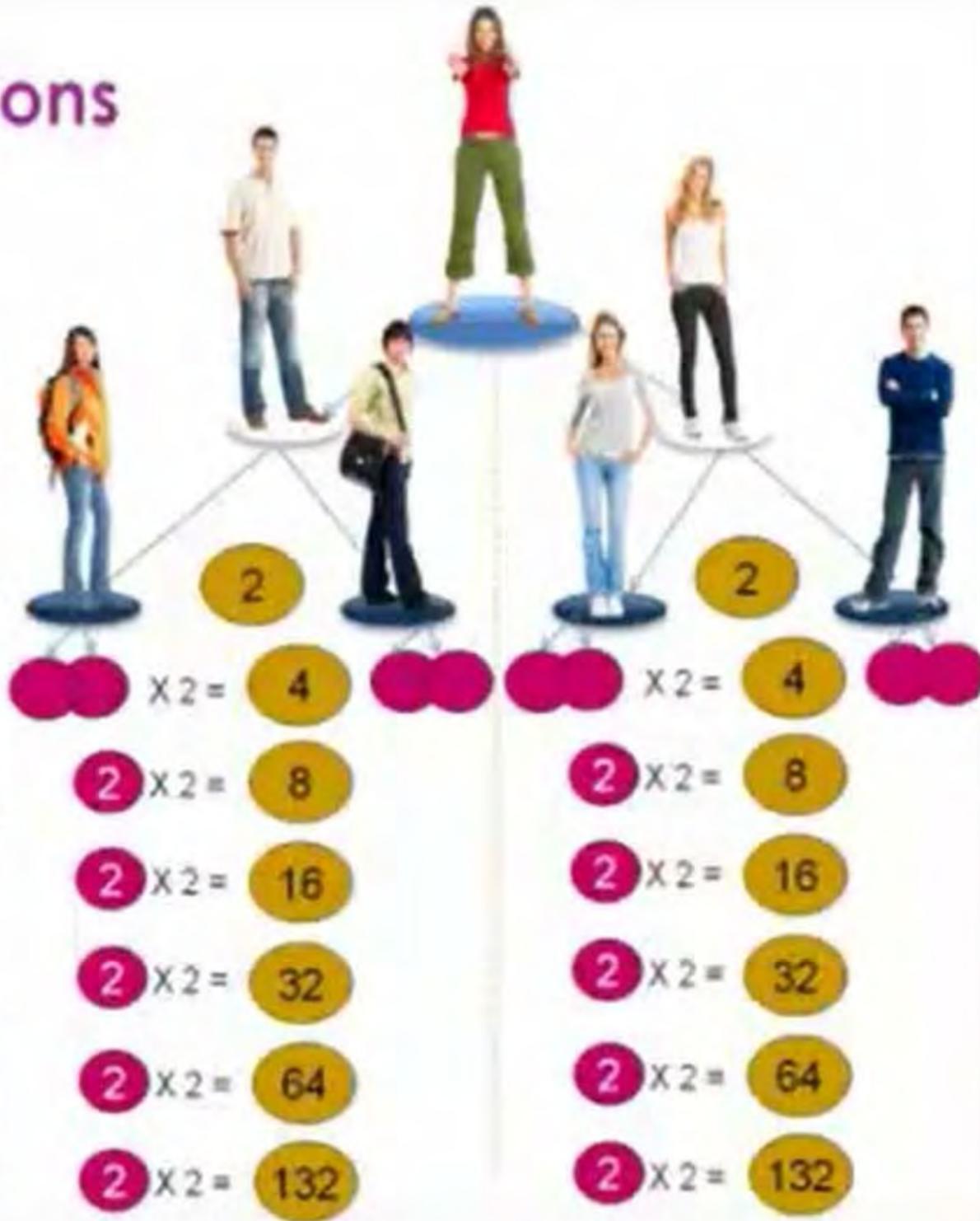
Here's the exciting and powerful bit...

Let's just say with JUST you introducing 2 people, and everyone else just introducing 2 people, you could have as an example 132 people this week join in your left and right teams...

132 X 1:1 Cycles = 132 x \$25 = **\$3,300*** in a week!

* TO DISTANCE SHORTER

You can earn up to \$50,000 a week in Team Commissions!



4 / 10

How Good Is Talk Fusion Instant Pay Compensation Plan



Income Disclaimer: The earnings portrayed in this literature are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any representation or guarantee of earnings would be misleading. **Success with Talk Fusion results only from successful sales efforts, which require hard work, diligence and leadership. Your success will depend on how effectively you exercise these qualities.**

THE NEXT EVOLUTION IN PERSONAL & BUSINESS COMMUNICATIONS

08:48 / 19:13



8:48 / 19:13





How Good Is Talk Fusion Instant Pay Compensation Plan



How Good Is Talk Fusion Instant Pay Compensation Plan

**We're Not Only Paying You Quicker,
We're Paying You MORE!**

INTRODUCING



Instant Pay Can Change Your Life!

- 7 Days per Week!
- 365 Days per Year!
- Make a Sale Today,
Get Paid Instantly!
- Never seen before!
- Millions in Commissions
Already Paid!
- Record Numbers are
Joining Us!
- Your Opportunity Has Arrived!

8/2/2015

How Good Is Talk Fusion Instant Pay Compensation Plan



How do YOU build your Talk Fusion business & income?



1. **Send out Video** Emails
2. Invite to the online **Business Presentation webinar**
 - live Presentations 4 times a day
 - recorded Presentations 24/7
3. Share the **TourTalkFusion website**
4. Support Team **answer any questions**, then people join.

...simple!

© 2015



13:31 / 19:13



How Good Is Talk Fusion Instant Pay Compensation Plan



Compelling reasons to consider TALK FUSION[®]

Be part of the moment.



- ✓ Truly Global Product that can be used by any person or business, anywhere in the world
- ✓ Product requires no explaining – everyone understands and *'gets it'* instantly
- ✓ Market timing - Video is the fastest growing segment of the Internet
- ✓ Very simple business to build
 1. Send out video emails
 2. Invite people to Business Presentation webinar
 3. Invite people to review TourTalkFusion website
 4. Support Team answers any questions,
people then join ...simple!

TALK FUSION



14:27 / 19:13





How Good Is Talk Fusion Instant Pay Compensation Plan

Compelling reasons to consider TALK FUSION[®]

Be part of the moment.



- ✓ A network marketing company with REAL Customers
- ✓ Start your own home-based proven business for a Low 'one-time only' start up costs – just \$250 (about £155 or €178)
- ✓ Instant Pay (*'instant' means instant!*) - No other company has it
- ✓ 1:1 Binary Pay Plan - others have too many hoops that slow payments – this pay plan pays out lightning fast
- ✓ Great residual income potential - low cost, just \$35 pm - people love the product and stay on it!

TALK FUSION



16:01 / 19:13



Compelling
reasons to consider TALK FUSION[®]
Be part of the moment.



- ✓ Amazing value 'product' – 8 real 'wow' products-in-one all for just \$35 per month (about £22 or €25 pm)
- ✓ Tremendous Support – company treats Associates properly as they should be treated
- ✓ World-class branding & design – beautiful look & feel to everything
- ✓ Massive momentum right now
- ✓ Incredible earning potential – Associates already earning over \$60,000 a WEEK in less than a year!

Ex. 10

Income Disclaimer

Are you tired of the income hype you've heard from other companies?

At Talk Fusion, we believe that you deserve honesty when it comes to everything, including income disclaimers.

Please note that Talk Fusion is not a "get rich quick" scheme. For the overwhelming majority, it is not even a "get rich" program. In reality, most people enroll as Talk Fusion Independent Associates simply to buy the products. Many also enroll in the Talk Fusion income opportunity at the same time, thinking they might try it eventually; but they never really apply themselves. In other cases, people lack the skill, trainability, or diligence necessary for success. In any case, it is rare for the Talk Fusion Independent Associate to earn any income at all. The few who will be financially successful will diligently apply themselves and have, or learn, the sales and leadership skills necessary to be successful in Talk Fusion. This is the truth in all Multi-Level Marketing programs. However, most will not admit it and instead choose to market hype and exaggerated publicity. Be clear that the Talk Fusion compensation plan is NOT an automatic means to acquire wealth. Like any other Multi-Level Marketing company, it takes very hard work and skill to earn at Talk Fusion. Success with Talk Fusion results only from successful sales efforts, which requires very hard work, diligence and leadership. Your success will depend on how effectively you exercise these qualities. Anyone who tries to convince you otherwise is making a false claim.

At Talk Fusion, we sell the best video email products available and we guarantee them. However, we do not guarantee that you will earn an income. That is because we sell video email products; we do not, and never will, sell an opportunity driven by hype. It is also important to note that if hypothetical examples are used in a Talk Fusion presentation or marketing materials, they are simply to help you understand how the compensation plan operates. These are fictional examples are for educational purposes and are not in any way a representation, guarantee or projection of the income or profits you will earn as a Talk Fusion Independent Associate.

If you have any questions about this information, please call Talk Fusion at +1 813 651 4030 or email us at support@talkfusion.com.

Ex. 11

Ex. 12

CONNECTive meetings

RANK ACHIEVEMENT & RECOGNITION



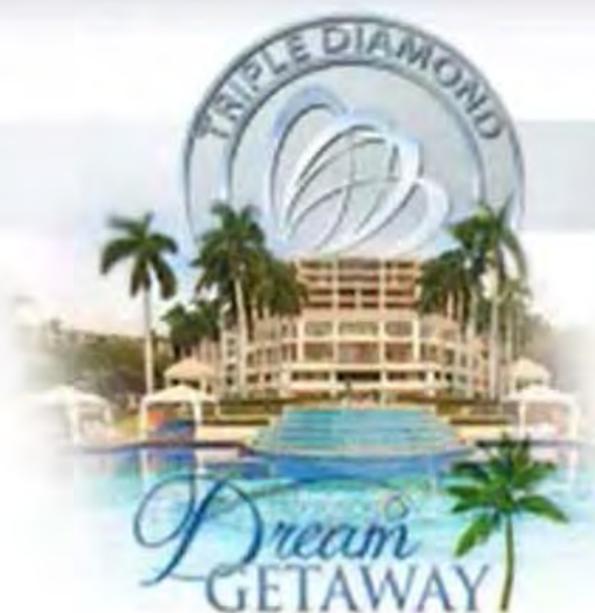


RANK ACHIEVEMENT REWARDS



3-STAR

Mercedes Madness
Car Bonus



TRIPLE DIAMOND

\$1,000 USD One-Time Cash
Bonus, Plus Talk Fusion Dream
Getaway – A Luxury Vacation
Trip For 2



DIAMOND

\$1,000 USD One-Time
Cash Bonus



DIAMOND ELITE

\$5,000 USD One-Time Cash Bonus



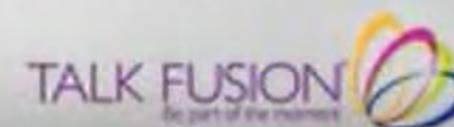
DOUBLE DIAMOND

\$2,000 USD One-Time
Cash Bonus



BLUE DIAMOND & ABOVE

Share in Up to 2.25% of the Total Talk
Fusion Sales Volume Worldwide



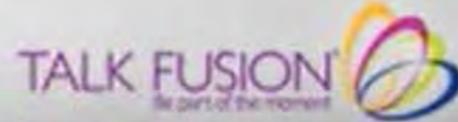
The above content is for informational purposes only and does not constitute an offer of any investment. It is not a guarantee of earnings or profits. Any representation or guarantee of earnings would be misleading. Success with Talk Fusion results only from successful sales efforts which require hard work, dedication and a strong commitment to the business. The purchase of a Talk Fusion Product Package is completely optional and is not required for an Associate to participate in the Talk Fusion Compensation Plan. The purchase of a Talk Fusion Product Package is not a requirement for an Associate to participate in the Talk Fusion Compensation Plan. Success with Talk Fusion results only from successful sales efforts which require hard work, dedication and a strong commitment to the business. The purchase of a Talk Fusion Product Package is completely optional and is not required for an Associate to participate in the Talk Fusion Compensation Plan.

PICK YOUR PRODUCT PACKAGE

 **\$30 USD** One-Time Cost to Become an Independent Associate

PRODUCT PACKAGE*	BENEFITS
 <p>ELITE</p> <ul style="list-style-type: none"> • \$750 USD & \$35 USD/mo • Includes All Products • 3 Custom Video Email Templates • 1 Video Email Private Label Logo 	<ul style="list-style-type: none"> • Maximize the Compensation Plan • Capture All Sales Volume on New Product Package Sales • Mercedes Car Bonus Eligible 
 <p>EXECUTIVE</p> <ul style="list-style-type: none"> • \$250 USD & \$35 USD/month • Includes All Products • 1 Custom Video Email Template 	<ul style="list-style-type: none"> • Capture Limited Sales Volume on all New Product Package Sales • Mercedes Car Bonus Eligible 
 <p>STARTER</p> <ul style="list-style-type: none"> • \$125 USD & \$20 USD/month • 1 Product – Video Email Only 	<ul style="list-style-type: none"> • Capture Minimum Sales Volume on all New Product Package Sales

Make the Elite Choice Today!



*The purchase of a Talk Fusion Product Package is completely optional and is not required for an Associate to participate in the Talk Fusion Compensation Plan.

The earnings potential in this presentation are not necessarily representative of the results you will get. Talk Fusion Associate can or we can't through us or our participation in the Talk Fusion Compensation Plan. These figures should not be considered a guarantee or prediction of your actual earnings or profits. Any representation or guarantee of earnings would be including Success with Talk Fusion results only from successful sales efforts, which require hard work and depend on how effectively you exercise these qualities.

Ex. 13

CONNECTive meetings

LEADERSHIP POOL

The Leadership Pool is a revenue-sharing Bonus Pool earned by qualified Blue Diamonds & above. Qualified Associates who go Blue Diamond and above share in a percentage of the total Sales Volume generated through Talk Fusion WORLDWIDE.

RANK	%
Blue Diamonds	1%
Grand Blue Diamonds	1.25%
Royal Blue Diamonds	1.5%
Presidential Blue Diamonds	1.75%
Ambassador Blue Diamonds	2%
Imperial Blue Diamonds	2.25%

The earnings portrayed in this presentation are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Compensation Plan. These figures should not be considered as guarantees or projections of your actual earnings or profits. Any representation or guarantee of earnings would be misleading. Success with Talk Fusion results only from successful sales efforts, which require hard work, diligence and leadership. Your success will depend on how effectively you exercise these qualities. The purchase of a Talk Fusion Product Package is completely optional and is not required for an Associate to participate in the Talk Fusion Compensation Plan. NOTE: A product purchase is not mandatory in order to participate in the Talk Fusion Compensation Plan.

TALK FUSION 
Be part of the movement.



Ex. 14



Talk Fusion

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**Trademark of Talk Fusion

Editor's Note:

Welcome to **MLMLegal.Com Company Profiles** at www.mlmlegal.com. Here you will find brief summaries of pertinent information about hundreds of MLM, Direct Selling, Direct Sales, Network Marketing and Party Plan Companies. As a general matter, the summary information is derived from Company published information, generally posted at Company websites, public information releases or posts at industry trade sites.*

Founding Story

Bob Reina (CEO of Talk Fusion) began the company after wanting to email his friends and family a video of a dazzling mountain home in 2004. His internet service provider told him that the video was too big and he immediately called his friend and IT guru, Dr. Jonathan Chen, who knew otherwise. The company was launched in the United States in 2007 and is based out of Brandon, Florida.

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Talk Fusion was created in an effort to make the Video Email Product available to all.

Impact on the Industry

Talk Fusion is a member of the Direct Selling Association. Talk Fusion has had 20 years of consecutive growth and its sales growth has outpaced retail sales growth over the last ten years.

Talk Fusion also supports Hillsborough County Animal Services, which is an organization that is determined to increase animal adoptions and reduce euthanasia.

The company states that it has become the 8th largest online video content provider in the world.

Discussion of Products

Talk Fusion sells professional-looking video emails that include graphics, pictures, colors, and effects. The videos are created to be crystal-clear and deliverable. The company also offers custom templates, private label ability, a (www.mlmlegal.com) library of professionally-recorded videos, and competitive pricing.

Talk Fusion also offers a new online mall, which offers apparel, bags, hats, business cards, water bottles, and other products that assist distributors in branding their image.

Discussion of Opportunity

Talk Fusion pays instant commissions. The company states that it has invented the world's first instant pay compensation plan, which is illustrated as follows:

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There are 7 Ways to earn income with Talk Fusion:

- 1 Fast Start Bonuses
- 2 Bronze Maker Bonuses
- 3 Team Commissions
- 4 Mega Matching Bonuses
- 5 Advancement Bonuses
- 6 Leadership Pool
- 7 Mercedes Madness Car Bonus



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BONUSES

1 FAST START BONUS

Sharing the Talk Fusion Products with Customers is one of the fundamental elements of your Talk Fusion Business and an excellent way to begin earning income immediately. Each time an Associate or Customer you enroll purchases a Product Package, you will earn a **Fast Start Bonus!** There is no limit to the number of Fast Start Bonuses you can earn!

- For every **Starter Package** you sell, you will earn **\$10 USD.**
- For every **Executive Package** you sell, you will earn **\$20 USD.**
- For every **Elite Package** you sell, you will earn **\$60 USD.**



2 UNLIMITED BRONZE MAKER BONUS

Personally Sponsor 1 Active Associate on your Left Team and 1 Active Associate on your Right Team and you become Bronze. When you help your Personally Sponsored Associates become Bronze for the first time and within 30 days of registration, you become a Bronze Maker, and you will earn a Bronze Maker Bonus of **\$20 USD.**



Any earnings portrayed in any Talk Fusion marketing materials are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Compensation Plan. All references to income, implied or stated, throughout the Talk Fusion Compensation Plan are for illustrative purposes only. These figures should not be considered as guarantees or projections of your actual earnings or profits. Talk Fusion does NOT guarantee any level of income or earnings to any Associate, any representation or guarantee of earnings would be misleading.





Talk Fusion is founded by Bob Reina. Bob began his relationship marketing career as a part-time income earner while working full time as a Police Officer. Graduated first in his police academy class, Bob holds a degree in Criminology from the University of South Florida. Starting in the US in 2007, the Video Email Product offering expanded into over 85 countries. Talk Fusion's story began with a vision for a revolutionary product and the determination to make it happen.

In 2004, Talk Fusion Founder & CEO, Bob Reina, wanted to email a 10-sec video to friends. America Online said it couldn't be done; Bob believed it could. With the help and expertise of an IT genius friend, together, they achieved the seemingly impossible and perfected the idea of putting videos into emails.

Starting in the US in 2007, the success of our crystal clear Video Email Product quickly spread around the world. Today, Talk Fusion continues to gain global momentum. We've expanded into over 85 countries and become the 8th largest online video content provider in the world—surpassing known industry giants such as Yahoo, AOL, Viacom, CBS and MegaVideo. Talk Fusion is a member of the Direct Selling Association (DSA) and the Direct Selling Educational Institute (DSEI) in Dubai, an organization dedicated to enforcing ethical practices and professionalism in Direct Selling. Estimated Company revenue 2012: **\$80+ million**.

Products

Video email.

The Video Email Product has developed into seven products: Video Email, Video Blog, Video Share, Video Auto Responder, E-Subscription Form, Video Conferencing and Fusion Wall a 3-D social and business networking site. Talk fusion is a great alternative for more expensive Webinar and Video Conference software (f.i. Cisco's Gotomeeting

software) and autoresponders.

Compensation Plan

A binary compensation plan with a \$25 cycle plan. Start packages: Executive: \$250 + \$35 subscription per month, Elite Package: \$750 + \$35 subscription per month. Fast Start Bonuses are a way to earn income quickly. Each time an Associate or Customer purchases a Product Package, you will earn a Fast Start Bonus. There is no limit to the number of Fast Start Bonuses you can earn. For every Executive Package you sell, you will earn \$20. For every Elite Package you sell you will earn \$60.



There are 6 Ways to earn income with Talk Fusion.

- Fast Start Bonuses
- Team Commissions
- Bronze Maker Bonuses
- Mega Matching Bonuses
- Advancement Bonuses
- Leadership Pool

Corporate leadership

Ex. 15

FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS

Detail by Entity Name

Florida Profit Corporation

TALK FUSION, INC.

Filing Information

Document Number	P07000002306
FEI/EIN Number	20-8162828
Date Filed	01/05/2007
Effective Date	01/06/2007
State	FL
Status	ACTIVE

Principal Address

1319 KINGSWAY ROAD
BRANDON, FL 33510

Mailing Address

1319 KINGSWAY ROAD
BRANDON, FL 33510

Registered Agent Name & Address

REINA, ROBERT
1319 KINGSWAY ROAD
BRANDON, FL 33510

Officer/Director Detail

Name & Address

Title PRES

REINA, ROBERT T
1319 KINGSWAY ROAD
BRANDON, FL 33510

Title SEC

REINA, ROBERT T
1319 KINGSWAY ROAD
BRANDON, FL 33510

Annual Reports

Report Year	Filed Date
2013	03/07/2013
2014	01/10/2014
2015	04/25/2015

Document Images

04/25/2015 -- ANNUAL REPORT	View image in PDF format
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04/21/2010 -- ANNUAL REPORT	View image in PDF format
03/29/2009 -- ANNUAL REPORT	View image in PDF format
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01/05/2007 -- Domestic Profit	View image in PDF format

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Ex. 16

FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS



Detail by Entity Name

Florida Profit Corporation

TALK FUSION WORLDWIDE, INC.

Filing Information

Document Number	P13000063689
FEI/EIN Number	46-3244138
Date Filed	08/01/2013
State	FL
Status	INACTIVE
Last Event	ADMIN DISSOLUTION FOR ANNUAL REPORT
Event Date Filed	09/25/2015
Event Effective Date	NONE

Principal Address

1319 KINGSWAY RD
BRANDON, FL 33510

Mailing Address

1319 KINGSWAY RD
BRANDON, FL 33510

Registered Agent Name & Address

REINA, ROBERT
1319 KINGSWAY RD
BRANDON, FL 33510

Officer/Director Detail

Name & Address

Title PD

REINA, ROBERT
1319 KINGSWAY RD
BRANDON, FL 33510

Annual Reports

Report Year	Filed Date
2014	04/28/2014

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Ex. 17



Secretary of State
Corporation Division
255 Capitol Street NE, Suite 151
Salem, OR 97310-1327

Phone:(503)986-2200
www.filinginoregon.com

2015 ANNUAL REPORT
Registry Number: 73007792
Date of Incorporation: 11/24/2010
Fee: \$100
Due Date: 11/24/2015
Type: DOMESTIC BUSINESS CORPORATION

MANE WORLD PROMOTIONS, INC
PO BOX 703
GOLD BEACH OR 97444-0703

Name of Domestic Business Corporation

MANE WORLD PROMOTIONS, INC

Jurisdiction: OREGON

The following information is required by statute. Please complete the entire form. Failure to submit this Annual Report and fee by the due date may result in inactivation on our records.

Registered Agent

JEFF J KEMP
94213 GAUNTLETT STREET
GOLD BEACH OR 97444

If the Registered Agent has changed, the new agent has consented to the appointment. Oregon street address required.

1) Type of Business

2) Principal Place of Business

(Address,city,state,zip)
94213 GAUNTLETT ST
GOLD BEACH OR 97444

3) Mailing Address

(Address,city,state,zip)
PO BOX 703
GOLD BEACH OR 97444-0703

4) President (Name & Address)

MARK GENOVESE
476 ARCHIE ST
EUGENE OR 97402

5) Secretary (Name & Address)

JEFF KEMP
PO BOX 703
GOLD BEACH OR 97444-0703

6) Signature

7) Printed Name

8) Date**9) Daytime Phone Number**

Make check payable to "Corporation Division" and mail completed form with payment to the address above.

Note: Filing fees may be paid with a major credit card.

Submit the card number and expiration date on a separate page for your protection.

ANRPF1-
11/25/15

Ex. 18



A Tour of the Talk Fusion Hall of Fame

📅 January 8, 2015 (<http://blog.talkfusion.com/a-tour-of-the-talk-fusion-hall-of-fame/>) 👤 Talk Fusion (<http://blog.talkfusion.com/author/talk-fusion/>) ➦ Live Your Dreams (<http://blog.talkfusion.com/category/live-your-dreams/>), Product News (<http://blog.talkfusion.com/category/product-news/>)

There's much more to "being your own boss" in the Direct Selling Industry. **A boss just says "Go." A leader says "Let's go."**

That's exactly what our leaders do here at Talk Fusion.

By providing daily examples of strong character, duplication, and dedication, these Independent Associates from around the world have transformed into Top Talk Fusion Leaders. These leaders travel the globe and share with thousands of people how simple it is to bring your dreams to life with Talk Fusion. With every team member they welcome into the Talk Fusion family, these leaders breathe new life into the business and ignite priceless inspiration for all to witness.

In the upcoming edition of Lifestyles magazine, you'll find a showcase of Top Leaders in our Hall of Fame.

Congratulations to these esteemed Talk Fusion Leaders! We are happy to showcase you, as you have gone above and beyond in creating successful teams that are taking Talk Fusion to the next level:

GRAND BLUE DIAMONDS



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Exhibit 18: Page2

Fusion-Mark-
SEVEN AWARDS

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Marselinus-
Halim.png)

Fusion-Cedric-
Penn.png)

Fusion-Ron-
Wright.png)



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2015/01/Talk- 2015/01/Talk- 2015/01/Talk- 2015/01/Talk- 2015/01/Talk- 2015/01/Talk- 2015/01/Talk- 2015/01/Talk-
F Fusion- Artur- Fusion-Desire- Fusion-Eventius- Fusion-Svetlana- Fusion-Jimmy-
E Fusion- (C Fusion- (C Kachanov.png) Nongol.png) Purwoko.png) Shodunke.png) Sudihardjo.png)



Artur Kachanov -
Ukraine

Desire Nongol -
Maryland, USA

Eventius Purwoko -
Indonesia

Svetlana Shodunke -
United Kingdom

Jimmy Sudihardjo -
Indonesia

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Andre Winata -
Indonesia

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2015/01/Talk- 2015/01/Talk-
Fusion-Hitomi- Fusion-Walter-
E Fusion- (C Shinzato.png) Suarez.png)
"Leadership is not about titles, positions or flowcharts. It is about one life influencing another." – John C. Maxwell

Congratulations on your achievements! You are truly making a difference in the world.
Hitomi Shinzato - Japan
Walter Suarez - Florida, USA

Any earnings portrayed in any Talk Fusion marketing materials are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Instant Pay Compensation Plan. All references to income, implied or stated, throughout the Talk Fusion Instant Pay Compensation Plan are for illustrative purposes only. These figures should not be considered as guarantees or projections of your actual earnings or profits. Talk Fusion does NOT guarantee any level of income or earnings to any Associate; any representation or guarantee of earnings would be misleading. The purchase of a Talk Fusion Product Package is completely optional and is not required for an Associate to participate in the Talk Fusion Instant Pay Compensation Plan.

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Live Your Dreams (<http://blog.talkfusion.com/category/live-your-dreams/>)

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[Terms of Service](http://www.talkfusion.com/en/docs/terms.php) (<http://www.talkfusion.com/en/docs/terms.php>)

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[ethics/code-of-ethics-\(full-text\)](http://www.dsa.org/code-of-ethics/code-of-ethics-(full-text))



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host=www.talkfusion.com)

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Ex. 19

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Welcome to Cognigen Network

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Cognigen



Our History

COGNIGEN NETWORK BEGINNING

Cognigen Networks, the brain child of Kevin Anderson, began in 1992 as a family business in which he and his wife Laurel could sell long distance from their home. Mr Anderson, a seasoned computer scientist, envisioned and explored his idea of online marketing with a focus on long distance products.

In 1994, Mr Anderson invented and pioneered the concept of the "self replicating web page", which allowed him to build massive downline organizations very quickly in a number of telcom MLM (Multi Level Marketing) programs. At the same time, Cognigen had an agent force of more traditional non-MLM telecom marketing professionals; so Mr. Anderson developed web sites to support the operations of their agents, Kevin and Laurel built Cognigen into a strong, profitable business-providing a good living for a number of their independent agents. They grew a good deal more successful than some of the telcom MLM programs with which they had earlier been active.

Cognigen Networks now has the "back office" technology to make it easy to run your Cognigen business, with password protected private web sites giving you instant data about your downline, upline and account status. Because of the way we leverage internet technology, Cognigen is positioned to become a billion dollar company with a remarkably small overhead.

Mr. Anderson own words:
 "Until September of 1998, we avoided building our own Telcom MLM company, because, frankly, rates and commissions were just not good enough to develop an MLM program which was fair to all, and which required no money from agents who joined. Until September of 1998, we employed a commission model which is "traditional" in the telcom industry, focusing on high commissions for direct sales, but reserving little for override commissions. New tariffs have been introduced now, which has

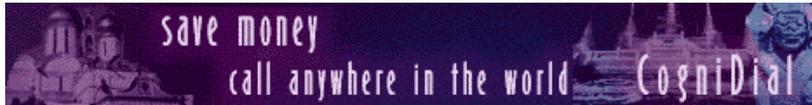


Cognigens' Memo

Our mission is to emphasize on selling a high-quality product and servicing customers in a professional and efficient manner. We only partner with reputable

changed that; and we set out to build the world's best telecom MLM company."

manufacturers and suppliers, so we have confidence in the products we sell. In addition, we hope to solve all your telecom issues quickly and at a competitive cost.



SleepyShopper.COM:
Where Shopping Begins

Search!



An advertisement for BlueJeans. It shows three people in a meeting: a man on the left, a woman in the center wearing a headset, and another woman on the right. A blue box with the "BlueJeans" logo is overlaid on the image. Below the image, the text reads "THE POWER OF IN-PERSON MEETINGS" and "Without being in the room." with a "FREE TRIAL" button.

BUILD A FREE WEBSITE
OF YOUR OWN ON

The Tripod logo, which consists of a stylized blue and green globe icon followed by the word "TRIPOD" in a bold, sans-serif font.

**MARK GENOVESE**

Level: ★★
 Likes: 9
 Associates: 60
 Badges:
 Phone: 541-688-2046
 Joined IBO: 9/5/2011

SELECTED PRESS RELEASE**Replicated Web Sites - Local Marketing Portals - Visionaries Leading The Way**

Free Search Engine Optimization, free local web portals, business promotional tools, Talk Fusion, work

[VISIT WEBSITE](#) (learn more)

Get Your Local Customized Optimized Portal Free Joining Our Team

Hello! My name is Mark Genovese, and I am the concept engineer behind Talk Fusion World Tour International localized SEO internet portal systems.

The World's First Search Engine Optimized Marketing System Build & Optimized For Distributors in the Relationship Marketing Industry.

"Change The Industry Change The World" m.g.

I would like to share some interesting facts about two men who I feel are modern day visionaries and have played a huge part in changing my life along with the lives of millions of people worldwide - the late Kevin Anderson and Talk Fusion Founder & CEO, Mr. Bob Reina.

Kevin Eric Anderson was born on August 2, 1951, in Reseda, California and grew up near Woodland Hills, CA. Entering UCLA at the age of 16, he excelled at computer science, held an IQ above 180, and worked part-time as data processing manager at Dart Industries.

Kevin's vast knowledge of computer programming enabled him to found Cognigen Networks and become the first Internet marketer in the U.S. to offer online sign-up for customers. This was a fundamental shift in how customers shopped for and purchased telecommunications services and it propelled Kevin's company to the forefront of the industry.

In 1993 Kevin saw the potential to utilize currently emerging CGI Technology to create the world's first self-replicating web site, which he used to build Cognigen Networks into one of the most successful online affiliate programs of the '90s. These days, almost every Internet Marketer either started with or developed a lot of their skills and initial revenue with an affiliate program that used self-replicating web site technology. Had Kevin patented the method, he could have been wealthy beyond his wildest dreams.

Kevin never attempted to control or profit from the technology he created, because he realized that this method would create wealth and provide opportunity to people all over the world.

If you have ever been involved in the affiliate or network marketing industries, you have likely used Kevin's self-replicated website technology.

How many people have touched so many lives?

I was so lucky to have known Kevin, if even for the few short years. His compassion for people keeps me going because we both had the same desire to change people's lives for the better.

One Monday afternoon in 2007 I checked my email and my heart sunk into my chest as I was stunned at the news I had just received. On Sunday August 12th, 2007 Kevin Anderson died at his estate in Chapala, Jalisco, Mexico. Kevin had reportedly been walking from his home to the swimming pool when he stated to his wife Laurel that he didn't "feel right". After resting on a nearby bench, Kevin lapsed into unconsciousness and never recovered. His physician stated that Anderson most likely suffered a massive heart attack, which was the result of his battle with diabetes and high blood pressure which largely began during a battle against testicular cancer and complications from

chemotherapy in 1992. He was 56 years old.

The news devastated me, and I began to wonder how I would go about our plans by myself. My first domain was paid for and hosted by Kevin, and my company's name, MANE World Promotions, Inc., was a direct collaboration with him. MANE, Marketing Associates for Nutrition & Education was meant to be a non-profit organization to help educate and provide better nutrition for children all over the world.

After telling Kevin about my long term plans to create the MANE World Foundation, I got a simple email back from him saying:

"Mark, you are either crazy or a genius. Looking at history, the people that really changed history for the better were a little of both"

Kevin Anderson Founder Cognigen Communications, Inc.

I have no doubt that if Kevin was alive today, my plans to develop an international foundation would be up and running. I know Kevin is resting in peace and I will forever miss him!

Next, I want people to know about Talk Fusion Founder & CEO, Mr. Bob Reina. Bob holds a degree in Criminology from the University of South Florida and graduated first in his police academy class. Being a respected member of his community, Bob is frequently recognized in newspapers and on television for his many civic contributions and charitable donations. He has also received multiple awards from The Humane Society of Tampa Bay and currently serves on its Board of Directors. Bob is the only person to have ever been honored with a Special Recognition Award from the County Commission for his extensive charitable efforts.

A 20-year veteran of the relationship marketing industry, Bob has already helped thousands of people across the world realize their dreams and has developed a company that has the potential to change the world. He is one of those very rare individuals, like Kevin, who has an unselfish dream to help people improve their lives.

His shrewd ability for recognizing emerging trends and quickly acting upon them has earned him a much-envied reputation in the industry as an innovative leader. Bob began his Relationship Marketing career as a part-time income earner while working full time as a Police Officer. With his astute business acumen, he soon turned his part-time business into a fulltime career and quickly rose to the highest ranks within several established Relationship Marketing businesses. Combining his accumulated industry knowledge with his natural talent and entrepreneurial expertise, Bob went on to develop and launch Talk Fusion in 2007.

Talk Fusion's Products are so simple to use that people across the world are able to keep in touch with friends & family and promote their businesses. They are currently developing an HD Video Conferencing Product so powerful that it can, and should be, used by every company and every individual in the world. Plus, it will be at a fraction of the cost of other video conferencing companies. Bob Reina has already changed the lives of thousands of people and is about to change the lives of millions more people with the introduction of the world's first Instant Pay Compensation Plan!

The Business Opportunity Talk Fusion provides is phenomenal! I have worked with over 41 CEOs, Presidents, COOs, and Master Distributors over the years, and I have never seen a single company that has the incredible ability to inspire and motivate their Associates to succeed. I have been watching Talk Fusion and other online video companies evolve over the past 3 years, and I know some top reps in other companies that I could have joined and made some very good money from, but I believe anyone will have a hard time providing what Talk Fusion can at such a low cost to consumers. There is simply no comparison to the top of the line Compensation Plan, Instant Pay, and cutting edge products offered by Talk Fusion!

Kevin Anderson's dream was to enable anyone anywhere to join a business that could produce an income equal to or greater than what their current full time job could produce. That is the system that Bob Reina has and continues to develop. There is no doubt in my mind that Talk Fusion will be the all-time leader in the video age! I thank you for your interest in Talk Fusion and I hope you will consider Bob Reina's company as a viable Business Opportunity and a great way to market your business. Please get back in touch with the Talk Fusion Independent Associate who introduced you to learn how to take the next step.

May All Your Dreams Come True,
Mark Genovese President/CEO MANE World Promotions, Inc.
Very Happy Talk Fusion Representative

Footnote:

Talk Fusion World Tour the world's first fully optimized web portal system being made available free to our members.

The TFWT system is the first instant International Web Portal Creator that will build a web portal in each member's city, State/Province/District, and Country at TalkFusionWorldTour.com.

Each page is created for the member and is sear

BUSINESS OWNER COMMENTS

PRESS RELEASES

(see all) ▼

- ➔ SMART MOVES - IBOToolBox Moves From Gotomeeting To Talk Fusion We
- ➔ Replicated Web Sites - Local Marketing Portals - Visionaries Lead
- ➔ New Product Coming From Talk Fusion?

MY BUSINESS

(see all) ▼

MY VIDEOS

(see all) ▼

RECENT SOCIAL POSTS



I just posted a new blog titled "SMART MOVES - IBOToolBox Moves From Gotomeeting To Talk Fusion Webinar Platform!". Please take a look... [View Blog](#)

likes: 1 | commented: 1523 day(s) ago



[Robert Frasier](#)
Good stuff.....

posted: 1523 day(s) ago

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I just posted a new blog titled "Replicated Web Sites - Local Marketing Portals - Visionaries Leading The Way". Please take a look... [View Blog](#)

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I just posted a new blog titled "New Product Coming From Talk Fusion?". Please take a look... [View Blog](#)

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[Tom Prater](#)
Very good Mark thanks for sharing
posted: 1539 day(s) ago

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Just signed up with IBOToolbox!

likes: 2 | commented: 1542 day(s) ago



David Lundgren

Thanks for joining IBOToolbox with me. If you need help, please take a look here: [IBOToolbox Training Videos](#)

posted: 1542 day(s) ago

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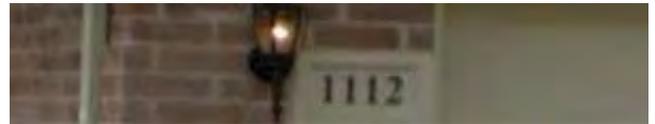
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SOCIAL NETWORKS



Main Menu

Kevin Anderson

Submitted by john on Sun, 08/12/2007 - 07:00

Kevin E Anderson, Founder of Cognigen Networks, 1951-2007

Kevin E Anderson was pronounced dead at the scene by paramedics and his personal physician who responded to an emergency call at his estate in Chapala, Jalisco, Mexico Saturday afternoon. After several attempts at resuscitation, EMTs were unable to revive him. Kevin had reportedly been walking from his home to the swimming pool when he stated to his wife Laurel that he did not "feel right". After resting on a nearby bench, Kevin lapsed into unconsciousness, and never recovered. His physician stated that Anderson most likely suffered a massive heart attack, which was likely the result of numerous health problems Kevin had battled in recent years, among them diabetes and high blood pressure. Kevin's health problems largely began during a battle against testicular cancer and complications from chemotherapy in 1992. He was 56 years old.

Kevin Anderson founded Cognigen as a private company in 1992 after changing the name from KEA Communications (Kevin's initials). Like many telecom sales agents at the time, he focused on finding new and innovative ways to sell local and commercial long distance service, along with reseller access to companies that offered exceptional deals on international calling. Prior to starting Cognigen, Kevin marketed for a number of different resellers, including Cyberlink, BNC, TTI, Value-Tel and many others.

Kevin Eric Anderson was born on August 2, 1951, in Reseda, California and grew up near Woodland Hills, CA. He attended the Catara School in that city and later Woodland Hills High School. Kevin entered UCLA at the age of 16, where he excelled at computer science, working part-time as data processing manager at Dart Industries during his freshman year. He was a long-time member of Mensa and held an IQ above 180.

Kevin's vast knowledge of computer programming enabled him to become the first long distance marketer in the U.S. to offer online sign-up for customers via the Internet. This fundamental shift in how customers shopped for and purchased telecommunications services propelled Kevin's company to the forefront of large master agencies and resellers. Cognigen became a publicly tradeable company in August 1999 after a reverse merger with Silverthorne Production Company. Cognigen currently trades Over The Counter using the symbol CGNW.

Kevin decided to step down as acting CEO of Cognigen and turn day-to-day operations of the company over to a new CEO and Board of Directors, which he hoped would draw more serious attention (and investments) from Wall Street. While the company's stock price and profits soared in its first few years, the end of the "internet boom" dealt a blow to the young corporation's stock price and profitability. As with many telecommunications resellers and master agencies, Cognigen has struggled in recent years to remain profitable and come up with new and innovative products to offer to its customers.

Through the many years of ups and downs at Cognigen, Kevin remained the face of the company. Despite being publicly traded, the majority of Cognigen's stock was largely controlled by Kevin, his family and various Anderson Family trusts until relatively recently. Despite its size, Kevin always took Cognigen's financial health and reputation extremely personally. He took the time to fight off a number of professional and even personal attacks launched against him and Cognigen by competitors on various internet websites and discussion forums. Kevin had a particular disdain for illegal pyramid schemes, Ponzi schemes and bogus "business opportunity" scams that plagued the telecommunications industry in its early years. When Cognigen eventually started its own multilevel

marketing program to help compensate its existing salesforce for referrals, Kevin made a particular point of NOT charging his agents any type of up-front fees or implementing other gimmicks that paid agents merely for peddling useless "sales kits" to the public. His strategy worked. While Cognigen continued adding thousands of agents, most of the business opportunity scams that he criticized eventually went out of business, leaving its agents with only empty pockets and shattered dreams.

Unfortunately, taking Cognigen public prevented Kevin from cashing in on the company he founded to the extent that he could have otherwise. In my experience, he always viewed Cognigen as "his baby", and would put in tireless hours each week in order to do what he could to help the company survive and prosper, most likely to the detriment of his own, personal health. Kevin did much more work behind the scenes for Cognigen than most high-paid CEO's would dream of doing for their own companies and very few people understood just how important Kevin actually was to day-to-day management. In fact, Kevin was arguably Cognigen's permanent CEO in everything but name.

About the Author:

This article was written by then-webmaster of TheDigest.com, William Van Hefner.

LOG IN or REGISTER to post comments

How many phones do you have?

- 1-2
- 3-5
- 6-10
- 11-20
- 21-50
- 50+

VoIP For Your Business

Business VoIP saves money.

Need to know more? In addition to being **cheaper than traditional phone service**, business VoIP means:

- *No more busy signals.*
- *A consistent company image with auto attendant.*
- *Extensions for every user.*
- *Local phone numbers for every area code.*

And, once again, the **most important reason to switch to Business VoIP:**

VoIP saves money.

[Learn more about Business VoIP](#)

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SMBs Should Expect to Hear More From Vonage

Posted on: Jun 4, 2015

Last year, Alan Masarek made news as he left Google to become Vonage's new CEO.

What Business VoIP Services Does Velis4 Offer?

Posted on: Apr 29, 2015

There's a lot to take advantage of when it comes to business VoIP.

CallTower's Unified Communication Technologies are Among the Best Around

Posted on: Apr 28, 2015

Advanced CallTower Unified Communication Technology provides modern offices and all affiliated locations with highest levels of quality telecommuni

Top VoIP Customer Questions

Interested in getting VoIP?

Here are some of the biggest customer FAQ's when they switch to VoIP.

- What are the benefits of VoIP?
- How does VoIP work?
- How much does VoIP cost?
- Will I need any new equipment?

See all the questions on the FAQ's page [here](#).

Bottom Line: VoIP Saves You Money Fast

There are lots of great benefits associated with VoIP, but first and foremost, VoIP is much cheaper than other phone service options. Customers have reported savings of up to 90% every month with the top residential and [business VoIP](#) providers.

[How Does VoIP work?](#) VoIP uses an Internet connection in place of old analog copper telephone wires. This makes the process of sending phone calls much cheaper and easier with VoIP, which results in a cheaper VoIP service.

VoIP services are extremely cheap, around \$20/month on average for a hosted PBX solution for a business, and around \$7/month for a [residential VoIP](#) solution. And because VoIP is a hosted solution, customers can also save a lot on costs of maintenance and repair.

VoIP works with IP phones, and with old phones with ATAs (analog telephone adapters). There are lots of options in [VoIP hardware](#) and customers can keep old systems or buy new ones as appropriate.

Recent Reviews

Save time and money with volPstudio

Posted on: March 3rd, 2014 byWilliam1

Overall Rating:

VoIPstudio is working for us

Posted on: February 20th, 2014 byTreadstone

Overall Rating:



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Important Pages

- [Home](#)
- [What is VoIP?](#)
- [Business VoIP](#)
- [Residential VoIP](#)

About Us

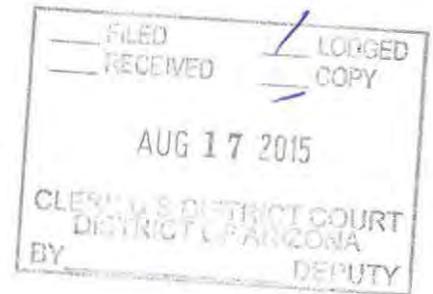
The Digest Today Let's face it, there are endless amounts of information on the Internet covering every aspect of the Telecommunications Industry. So much in fact, it can be outright discouraging trying to determine the most suitable long distance carrier or how VOIP might really benefit your home...

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Ex. 20

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(214) 979-9386; erobinson@ftc.gov (Robinson)

Attorneys for Plaintiff
FEDERAL TRADE COMMISSION

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Federal Trade Commission;

Plaintiff,

v.

Vemma Nutrition Company, a corporation;
Vemma International Holdings, Inc., a
corporation;

Benson K. Boreyko a/k/a **B.K. Boreyko**,
individually and as an officer of Vemma
Nutrition Company and Vemma International
Holdings, Inc.; and

Tom Alkazin, an individual;

Defendants, and

Bethany Alkazin, an individual;

Relief Defendant.

No. CV-15-01578-PHX-JJT

**COMPLAINT FOR
PERMANENT INJUNCTION
AND OTHER EQUITABLE
RELIEF**

Plaintiff, the Federal Trade Commission (“FTC”), for its Complaint alleges:

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), to obtain temporary, preliminary, and permanent injunctive relief, rescission or reformation of contracts, restitution, the refund of monies paid, disgorgement of ill-gotten monies, the appointment of a receiver, and other equitable relief for Defendants’ acts or practices in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), in connection with the advertising, marketing, promotion, and sale of opportunities to sell health and wellness drinks.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1337(a) and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

3. Venue is proper in this district under 28 U.S.C. § 1391(b)(2) and (c)(2) and 15 U.S.C. § 53(b).

PLAINTIFF

4. The FTC is an independent agency of the United States Government created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce.

5. The FTC is authorized to initiate federal district court proceedings, by its own attorneys, to enjoin violations of the FTC Act and to secure such equitable relief as may be appropriate in each case, including rescission or reformation of contracts,

restitution, the refund of monies paid, and the disgorgement of ill-gotten monies. 15 U.S.C. § 53(b).

DEFENDANTS

6. Defendant Vemma Nutrition Company is an Arizona corporation with its principal place of business at 1621 West Rio Salado Parkway, Tempe, Arizona 85281. Vemma Nutrition Company transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Vemma Nutrition Company has advertised, marketed, distributed, or sold business opportunities to consumers throughout the United States.

7. Defendant Vemma International Holdings, Inc. is an Arizona corporation with its principal place of business at 1621 West Rio Salado Parkway, Tempe, Arizona 85281. Vemma International Holdings, Inc. transacts or has transacted business in this district and throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Vemma International Holdings, Inc. has advertised, marketed, distributed, or sold business opportunities to consumers throughout the United States.

8. Defendant Benson K. Boreyko, also known as B.K. Boreyko (“Boreyko”), is the Chief Executive Officer, Secretary, and a director of Vemma Nutrition Company. He is also the President, Secretary, and a director of Vemma International Holdings, Inc. At all times material to this Complaint, acting alone or in concert with others, Boreyko has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint. Defendant Boreyko resides in this district

and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

9. Defendant Tom Alkazin is a promoter of the business opportunities offered by Vemma Nutrition Company and Vemma International Holdings, Inc. At all times material to this Complaint, he has participated in the acts and practices set forth in this Complaint. Tom Alkazin resides in California and, in connection with the matters alleged herein, transacts or has transacted business in this district and throughout the United States.

10. Relief Defendant Bethany Alkazin is an individual who has received funds that can be traced directly to Defendants' deceptive acts or practices alleged below, and she has no legitimate claim to those funds. Bethany Alkazin resides with her husband, Defendant Tom Alkazin, in California.

COMMON ENTERPRISE

11. Defendants Vemma Nutrition Company and Vemma International Holdings, Inc. (collectively, "Vemma") have operated as a common enterprise while engaging in the deceptive and unlawful acts and practices alleged herein. Defendants have conducted the business practices described below through interrelated companies that commingle funds and have common ownership, officers, directors, and office locations. Because Vemma has operated as a common enterprise, each entity is jointly and severally liable for the acts and practices alleged below.

COMMERCE

12. At all times material to this Complaint, Defendants have maintained a substantial course of trade in or affecting commerce, as “commerce” is defined in Section 4 of the FTC Act, 15 U.S.C. § 44.

DEFENDANTS’ BUSINESS PRACTICES

13. Vemma, founded by Boreyko in 2004, is an international multilevel marketing company that promotes health and wellness drinks through a network of independent distributors called “Affiliates.” These products include health (“Vemma Health”), energy (“Verve”), and weight loss (“Bod•ē”) drinks (collectively, the “Vemma Products”), which all purport to contain the “VEMMA” formula of vitamins, essential minerals, mangosteen, and aloe.

14. Vemma Affiliates can earn financial and other rewards for building two “teams” or “downlines” of individuals who also enroll with the company, either as an Affiliate, if the individual is interested in the purported money-making opportunities presented by enrolling others, or as a customer, if the individual is only interested in purchasing Vemma Products.

15. As evidenced by their sales and marketing activities and compensation plan, Defendants’ business model depends upon recruiting individuals to participate in Vemma as Affiliates and encouraging them to purchase Vemma Products in connection with such participation, rather than selling products to ultimate-user consumers. Defendants’ sales and marketing activities and their compensation plan place little emphasis on sales to consumers outside of the Vemma organization.

16. Using this business model, Vemma earned more than \$200 million in annual revenues in 2013 and 2014.

Defendants' Sales and Marketing Activities

17. Defendants promote the Vemma program through a variety of channels, including websites, videos, testimonials, print materials, social media tools, and live presentations and meetings, such as “opportunity events” and “home events.”

Opportunity events are meetings designed to motivate and train Affiliates and to recruit new Affiliates. High-level Affiliates, including Defendant Alkazin, typically host these events in hotel ballrooms, conference rooms, or convention centers around the country, and Defendants Boreyko and Alkazin often speak at these events. Home events are smaller recruitment meetings at an Affiliate’s residence, dorm room, park, or other location.

18. Through each of these channels, Defendants pressure consumers to become Vemma Affiliates and to recruit others, including friends and family members, to do the same.

19. Vemma’s marketing efforts include a campaign called the “YPR,” “Young People Revolution,” or “Young Professional Revolution,” which targets young adults, including college students. Defendants visit college campuses and present Vemma as a profitable alternative to traditional employment. Vemma’s YPR marketing materials prominently feature young, seemingly affluent individuals surrounded by conspicuous displays of wealth, such as luxury vehicles, jets, and yachts.

20. Through their sales and marketing activities, Defendants misrepresent the nature and income potential of Vemma. Defendants repeatedly tout that Vemma can provide anyone an easy path to financial freedom and independence:

- a. What's possible with a Vemma business?
Unlimited possibilities! We don't place any barriers ahead of you; we let you determine your own success. Achieve goals like obtaining financial freedom, receiving rewards and recognition, having more time for the things and people who matter the most, enjoying flexible schedules, and taking the opportunity to be your own boss and define how much or little you want to make. If you can dream it, you can achieve it!
- b. So if your dream is to run your own business, get out of debt, earn a secondary source of income, exchange the traditional 9 to 5 for your own schedule, or all of the above, Vemma's business opportunity can help you achieve it. Now is the best time to make a change and choose to live to your full potential.
- c. Joining Vemma as an Affiliate affords you the opportunity to earn a second income WITHOUT a second job, and so much more!
- d. My name is B.K. Boreyko, and a big part of my job here at Vemma is to help people create a full-time income with part-time effort, to offer hope to those wanting an opportunity for time freedom and financial independence.

21. Defendants emphasize recruitment over product sales and stress the importance of recruiting new participants into the Vemma program. Defendants direct new and prospective Affiliates to follow a simple "system" in order to be successful, which generally consists of the following four steps.

22. First, the individual should become an Affiliate by purchasing an "Affiliate Pack," which costs approximately \$500 or \$600 and which contains a mixture of various

Vemma Products, audio and video recordings, print materials, and Vemma branded items. Defendants tell consumers:

- a. [Y]ou don't have to buy an affiliate pack, but you *have* to buy an affiliate pack.
- b. Anyone can join — it's FREE to sign up! But if you're interested in a life-changing opportunity and ready to build a business to earn immediate commission for your efforts, we recommend starting out by choosing an Affiliate Pack. The Affiliate Pack maximizes your opportunity and gives you the tools and products to start sharing Vemma with others.

23. Defendants frequently describe the Affiliate Pack as the Affiliate's initial investment or start-up cost. For example, Vemma states:

If you are ready to achieve your financial dreams without any barriers, now is the perfect time to join Vemma as an Affiliate. Simply choose an Affiliate Pack to maximize your opportunity so you can start earning immediate income. You'll see how this tiny investment in your business is pennies compared to the huge earning potential this opportunity can afford you.

24. Second, the Affiliate should sign up for monthly "auto-delivery" in an amount sufficient to maintain eligibility for bonuses, which is approximately \$150 per month. Auto-delivery automatically charges the Affiliate on a set periodic basis for a standing product purchase-order. Defendants refer to auto-delivery as an expense to participate in the business. In Defendant Boreyko's words:

[A]fter you've done your affiliate pack, you need to get on an auto-delivery order. Do the two -- what I would do is I would get four of those variety packs, two cases, 120 points. That is like your trump card. That makes sure that you're qualified. And here's the thing, yes, you can qualify with customers, but you know what, sometimes customers don't order and they don't tell you they don't order, and all of a sudden you're like, hey, I didn't get – I wasn't qualified.

25. Third, the Affiliate should find others who “see what [they] see” and enroll them as Affiliates. Defendant Boreyko states:

And I know with this move [] to affiliate marketing and a lot of people have been talking about, hey, customers, that’s great. I mean, but we’re mining for gold, and we’re looking for those [] entrepreneurs. But when you find a silver nugget, you don’t throw it away. You say, hey, that’s great, that’s a byproduct of our business. And [] so, those customers are like silver . . . but the affiliates, man, they are like gold and you got to treat them like gold. And, so, you’re going to find people that are into health make great customers. You’re going to find these nuggets of gold, these people that are entrepreneurial, they’re people that have this desire to [] get out of their job, pay off their debt, have [] leverage in their life, time freedom, money freedom. And -- and that is the people that we’re looking for.

26. Other company materials reiterate this focus on recruiting like-minded individuals into the program:

- a. When you believe in this opportunity and help others do the same, you can turn this business into career income, and you should know that it’s happening for people just like you.
- b. And when you find someone who sees what you and I see, who are excited about what this can do for their life, those are the people you got to focus on.

27. Fourth, the Affiliate should teach those recruits to “duplicate” this process (*i.e.*, purchase an Affiliate Pack, get on a qualifying monthly auto-delivery order, recruit others, and teach them to repeat). Defendants further stress the importance of duplication by telling new Affiliates:

- a. It’s not what you can do; it’s what you can model and replicate so hundreds, thousands, or even tens of thousands of people can do. You are used to producing 100 percent of the results by your efforts. The beauty of this model is you can earn 1 percent from 100 people’s efforts if not 1 percent from 1,000, 10,000, or more . . . To go from you to a few, to hundreds, to tens of thousands, you need a simple, duplicatable

system that anyone with little to no skills can use anywhere at any time. The leadership in Vemma has that system, just don't get in the way of it.

- b. [Y]ou want the system to do all the work. Not only will it then work for you, it will work for anyone, and that's when the magic of duplication can kick in and send your financial potential into the stratosphere.
- c. As you'll soon see, your Vemma business is easy to set in motion and easy to duplicate. Keeping the business simple attracts others to your network. Presenting a plan that can be duplicated encourages others to make their dreams a reality!

28. While slight variations of this recommended system exist, the focus is consistently on recruitment. As Defendant Boreyko stated during a company event:

[H]ere's our simple plan. Number one, buy an affiliate pack. Number two, find three people that see what you see in this business in your first week. Remember, you got that 24-second shot clock in a basketball game. That's what brings excitement. We got this thing called a frenzy bonus and a double frenzy bonus, that all that does is bring excitement to your business here. So, find three people that see what you see in this business. You might find three or four or five customers, but find three [A]ffiliates and get them to buy an [A]ffiliate pack. And guess what, you're going to make approximately 700 bucks. Wow, you got your money back for your [] business, you're fired up, and you got three great people that have raised their hands saying I want significant change financially in my life. (Cheers and applause.)

Third thing, third thing: Get car qualified. If I'm going to give you 400 bucks a month to go get yourself a car so you can feel good, and here's what's great about the car is it actually helps your business because people look at you and they go, you're driving that? What, maybe I should sit down with you...So, you get yourself in a car and then you help five people get in a car, you're making \$50,000 approximately in residual income. And that is our plan. That's it. (Cheers and applause.)

And the more you do it, the more you get. But here's the . . . here's the trick. The more you don't do it, the less you get.

29. Conversely, Defendants provide no guidance on where to market or sell Vemma Products. Instead, Defendants teach Affiliates to give away the products as samples and to concentrate their efforts on recruiting new participants.

30. To help Affiliates recruit new Vemma participants, Defendants provide numerous tools and training materials. For example, Vemma's websites, including www.vemma.com, www.vemmanews.com, www.achieve.vemma.com, and www.vemmavideos.com, provide videos, live and pre-recorded calls, and print materials, many of which Defendants direct Affiliates to show at their recruitment meetings or home events. One such video proclaims that "[i]t's not uncommon for people to begin earning from their Vemma opportunity in the first seven to thirty days."

31. Vemma additionally provides each Affiliate with his or her own e-commerce website to market Vemma's program. Vemma provides Affiliates with a website template that includes a list of videos the Affiliate may choose to display on his or her website. Many of those videos contain misrepresentations regarding the income potential of Vemma.

32. Affiliates have also created training and promotional materials related to Vemma. For example, Defendant Alkazin's website, www.myroadmaptosuccess.com, provides access to multiple training presentations, including a purchasable audio CD and training workbook titled "Roadmap to Success – A Working Plan for Creating Wealth Through the Vemma Opportunity" (the "Roadmap"). The Roadmap, which has gone through at least three iterations since 2009, describes Defendant Alkazin's eight-step system for building a Vemma business. Vemma requires company approval prior to the

distribution of materials by Affiliates. In addition, Vemma may formally integrate Affiliate materials into its own resources. In 2014, for example, Vemma incorporated the Alkazin Roadmap into an official training program called “Affiliate Action Plan: 8 Steps To Your Success.”

Defendants’ Income Claims

33. Defendants assert that consumers can earn significant income and rewards through Vemma, and that Affiliates’ income potential is limited only by their own efforts. Defendant Boreyko has repeatedly made income claims during Vemma presentations:

- a. We have a game plan to get you earning \$500, \$5,000, or even \$50,000 per month!
- b. And whether you tell three or four [people] and enjoy free product or a lightbulb comes on and you get how powerful this concept is, when you meet some of the people that have partnered up with us and have begun generating an extra \$500, \$5,000, even \$50,000 or more per month part-time.
- c. You know, we have young people doing enough just to enjoy some free product and we have some making an extra \$500 a month, we have some making an extra \$500 a week, and some young people really get serious about this business model and they’ve developed a residual income of \$5,000 a month or even \$5,000 a week. In fact, I’ve got a 26-year-old, get a load of this, that will earn \$1 million this year.
- d. I’d like to lay out a game plan that can give you the opportunity to get profitable fast and be driving a new BMW within the next 90 days.
- e. So, in fact, we’ve got people making \$1,000, \$1,500, \$2,000 in their very first month. Now, let’s get you in that new BMW.
- f. Step number two, now just help one person on each side of your business duplicate the success that you’re having and create about \$5,000 in volume, bam, you’re car qualified.

- g. Step number three, just help five people on your two teams get a car and you're earning about \$50,000 a year residual income part-time, and it just keeps growing from there.
- h. You see, I'm projected, on these referral bonuses, to pay out bonuses totaling \$50 million this year alone.
- i. I don't care if you want to make [\$]500 [] a month or \$5,000 a month. I don't care what you want to make. You get to decide that. And that is the opportunity here . . . Think of the fact that two to four years invested into this business, you have a great chance of setting yourself up financially for potentially the rest of your life.
- j. This next couple, you guys are going to absolutely love this next couple. I had the privilege to pay this couple and their children in one month, not too many months ago, 900 – \$963,000, in one month, ladies and gentlemen, our star pinnacle leaders Tom and Bethany Alkazin.

34. Defendant Boreyko also interviews Vemma Affiliates about their purported success and presents their testimonials in videos that are posted to the company's websites, YouTube channels, and social media sites. Throughout these testimonials, Affiliates attest to how easily and quickly they were able to earn lucrative pay by building their downlines. Many of these videos feature young adults who talk about having financial wealth without a college degree or the confines of a 9-to-5 job, or about driving the luxury Mercedes-Benz or BMW that they received through Vemma:

Boreyko: [T]ell me how that feels when you are driving this [new BMW] and you're taking your friends somewhere . . . [W]hat kind of things are you hearing?

Affiliate 1: Well, they see that it's doable and, you know, a lot of people [] don't understand . . . kids at a young age making [] these types of money, I mean, \$2,000 a month.

Boreyko: And you made \$5,000 last month.

Affiliate 1: I made \$5,000 last month, and it's absolutely insane, you know, to think about what we can do and what we can change with this entire thing. And [] we're taking over the entire country. I mean, this guy is the first person on my left leg, so I have over 650 people in my business in just five months.

Boreyko: That is absolutely incredible. Now, what do your friends say when they get behind the wheel, and you've been in this four and a half months, driving a new BMW, having me pay for it, which I love to do. Is this something that helps people's believability? Does it help to move your business forward?

Affiliate 2: Yeah.

* * *

Boreyko: All right. So, how does it feel to be 19 years old, making \$5,000 a month promoting a healthy energy drink? And are you having fun doing this?

Affiliate 2: Absolutely . . . we're hanging out with our friends anyway and helping them [] and that's special. And making money while you're doing it, it's [] killing two birds with one stone.

* * *

Boreyko: [G]ive us some words of wisdom. You get in the business five months ago; you blow this thing up. Tell me, you know, how long did it take you to cycle for the first time and then what did you do month two, month three, month four, month five.

Affiliate 1: Yeah, well, mainly, you know, just duplicated the system . . . I saw high schoolers [] making \$1,000 a week, and that . . . blew my mind . . . And I have a [guy who is] 17 years old [who] got [] Diamond in 21 days . . . So, company-paid car. He's made over, you know, five grand in the past two and a half months.

* * *

Boreyko: We got, you know, hundreds and hundreds of the young kids at this – at this meeting here in North Carolina, and all they're talking about is becoming millionaires . . . And for some kids, it's like the first time -- I think everybody always dreamt they'd want to become a millionaire, but really for a lot of these kids, it's the first time they've actually had a shot at becoming a millionaire in a business like this.

35. Defendant Alkazin has likewise made income claims when presenting the Vemma opportunity:

- a. It's not uncommon for us to see people earning anywhere from \$500, \$1,000, \$2,000, even \$3,000 in their first four to eight weeks in the business.
- b. [H]ow well does this work? We have people earning \$100 to \$200 per week cycle bonus income. We have some earning \$300 to \$500 per week. We have some earning \$1,000 to \$3,000 a week. We have some earning, five, ten, fifteen. Imagine this, some even more than \$20,000 on a weekly basis. Now, if we're doing this well after this short amount of time, can you imagine what the next three to five years holds in store?

36. Defendant Alkazin also directs his downlines to make income claims. For example, his Roadmap provides Affiliates with scripts to follow when attempting to recruit new participants, such as:

John, if I could show you how to invest \$120 per month in your family's health and turn that into \$1000 to \$3000 per month, part time, what would you say?

37. Defendants and their Affiliates make other claims regarding the high income potential purportedly associated with Vemma in various videos and print materials:

- a. Do you want a few hundred dollars a month on the side? Do you want to make a six-figure income? A million? All of this is possible but you have to know where you want to go to determine what, and how much you have to do.
- b. Do you want to make an extra \$500-\$1000 in order to quit your part time job, or do you want to make six figures to gain the time and financial freedom that you have always dreamed of? Both are achievable, and both have been done before, you just need to ask yourself . . . how big do you want to dream?

- c. And guess what, we even have a 26-year-old guy . . . earning over \$1 million a year.
- d. Here's the thing, guys. When I first got in this business, my own roommate . . . who's now earning over \$12,000 a month in Vemma, told me no. So, when your friends don't want to do it, don't get discouraged, guys. They will come around. When they start seeing you make money, when they see you getting free BMWs, guys, they will eventually come around.
- e. You don't want to live life with no money. You want to have so much money it doesn't even matter. That's why people do Vemma, to have enough money to where it doesn't even matter anymore, guys.
- f. [T]he days of the week shouldn't even matter to you, guys. Why does the day of the week even matter? The sun comes up, goes down, we make money while we're asleep. That's how Vemma works. You're paid 24 hours a day, seven days a week no matter what you are doing.
- g. Here's the thing: in the last two weeks, I have earned \$59,500.

38. In addition, during company events and conventions, Vemma presents the select few top earners with large checks representing their yearly or lifetime earnings.

39. While Defendants sometimes attempt to provide disclaimers when making these and other income claims, their attempts are inadequate. Vemma typically dilutes purported disclaimers, such as "results may vary," with statements implying that negative results are due to the inadequate efforts of the Affiliate.

40. Defendants consistently lead consumers to believe that if they simply work hard, they can and will earn substantial sums. For instance, during a presentation, Boreyko stated:

This is a product that you could earn seven figures, and I'm not making any kind of income claims, because your results may vary ; it's happened to other people, so why shouldn't it happen to you? I mean, results aren't typical; I hope you're not typical.

41. One high-ranking Vemma Affiliate even tells potential recruits:

The only way you fail in this is by quitting or doing nothing. That's it. If you do something and don't quit, you succeed every time, no matter where you come from, no matter what your educational level is.

42. In addition, Vemma has published annual disclosure statements since 2012.

For example, the 2013 U.S. Disclosure Statement shows that in 2013, more than 93 percent of Affiliates earned less than \$6,169; more than 87 percent earned less than \$3,674; more than 40 percent earned less than \$939; and less than 0.62 percent earned \$92,181 or more.

43. While the figures contained in the company's disclosure statements are somewhat revealing, they nonetheless do not show the whole picture and are misleading. Among other things, the disclosure statements only take into account "active" Affiliates who have met certain minimum purchase thresholds and omit participants who fared worse.

44. In contrast to Defendants' numerous claims regarding profitability and the unlimited income potential associated with Vemma, the vast majority of Affiliates make no money. Vemma's compensation plan, further discussed below, and its corresponding marketing activities dictate that at any particular time, the majority of Affiliates lose money.

Vemma's Compensation Plan

45. Vemma's compensation plan is based on a binary system, and Affiliates can earn financial and other rewards for building two "downlines" – a "left team" and a "right team" – of individuals who enroll with Vemma as Affiliates or customers.

46. There are several levels of Affiliates, and Affiliates' rank and bonus eligibility is generally determined by the number of "points" they earn during a specified period. Points are earned through product purchases.

47. To become an Affiliate, a consumer must either purchase an Affiliate Pack of Vemma Products and tools for approximately \$500 or \$600, or personally enroll a customer or Affiliate. In practice, Defendants advise consumers to buy the \$500 or \$600 Affiliate Pack, which they characterize as the Affiliate's initial investment.

48. After becoming an Affiliate, the individual must maintain a "qualified" status to be eligible for financial compensation and other rewards. This means the Affiliate must have: (1) a minimum of 120 points in "personal volume" each month; and (2) at least one "active" customer or Affiliate on each of the Affiliate's left and right teams.

49. To achieve 120 personal volume points in a month, Affiliates can personally purchase products worth that same number in "qualifying volume" points or "QV" (e.g., a 2-pack of Vemma Health at \$171 for 120 QV), have double that (i.e., 240 QV) purchased by their personally enrolled customers, or some combination of both.

50. Active customers or Affiliates must have a minimum of 60 personal volume points in a month. They can do this by personally purchasing products worth 60

QV that month (e.g., a 1-pack of Vemma Health at \$74), having double that purchased by their personally enrolled customers, or some combination of both. In some cases, the requirements for active status are doubled and match the requirements for qualified status.

51. As stated above, Vemma urges Affiliates to purchase products through a personal monthly auto-delivery order of 120 QV to ensure uninterrupted qualification for bonuses.

52. Vemma's compensation plan includes many confusing and convoluted rules and requirements, and some bonuses or rewards impose additional restrictions or limitations.

53. Vemma states that its compensation plan generally offers two types of financial compensation: (a) immediate income and (b) long-term or "residual" income.

Immediate Income

54. Affiliates may receive a **New Customer Bonus** ranging from \$5 to \$100 on the first purchase made by a new customer or Affiliate, so long as the Affiliate personally enrolled them.

55. Affiliates who purchased an Affiliate Pack may earn **Frenzy** or **Double Frenzy Bonuses**. **Frenzy Bonuses** are paid to qualified Affiliates who recruit three people who purchase at least 120 QV of Vemma Products within the same week they enroll in Vemma. **Double Frenzy Bonuses** pay higher rewards if each of those three recruits purchases an Affiliate Pack (which signifies enrollment as an Affiliate) and signs up for a monthly auto-delivery order worth at least 120 QV. An Affiliate may earn up to

\$700 through the New Customer and Double Frenzy bonuses combined. Defendants tout this as the way for Affiliates to recover the cost of their initial investments.

Long-term or Residual Income

56. Vemma describes residual income as “the art of earning income after the initial work has been done.”

57. Vemma states that the “most powerful” bonus, and the pathway to residual income, is its **Cycle Commission**. At the end of each week, Affiliates may earn approximately \$20 each time they “cycle,” or accumulate 360 QV points on one team and 180 QV points on the other. For example, an Affiliate cycles one time, and earns roughly \$20, where he or she has three 2-pack Vemma Health purchases on the left team (totaling \$444) and three 1-pack Vemma Health purchases on the right team (totaling \$222, for a combined total of \$666 in purchases).

Other Rewards

58. Vemma offers other bonuses that are connected to the Affiliate’s number of cycles. **Rank Advancement Awards** are one-time bonuses paid when an Affiliate achieves a new “rank.” There are at least eighteen ranks within the compensation plan ranging from Bronze to Legend, based upon the number of cycles the Affiliate accrues during a four-week rank advancement period or “RAP.” For example, if the Affiliate reaches the rank of Silver (five cycles – which is equivalent to approximately \$3,330 in Vemma Health 2-pack purchases – per RAP) and maintains that rank for at least two consecutive RAPs, the Affiliate receives \$100. Affiliates may receive up to \$1 million if they reach the highest rank of Legend (20,000 cycles – which is equivalent to

approximately \$13.32 million in Vemma Health 2-pack purchases – per RAP) and maintain that rank for at least four consecutive RAPs.

59. Other bonuses tied to the Affiliate's number of cycles include the **Premier Club Bonus, Balanced Team Bonus, Affiliate Pack Flag, Matching Commission, Second Tier Matching Commission, and Global Bonus Pool.**

60. Under the **Vemma Loyalty Program**, Affiliates can earn a free case of product (in a maximum amount of 120 QV or the lowest order placed) if they purchase a minimum of 60 QV per month for six consecutive months. The free product does not constitute points for purposes of bonus determination.

61. Affiliates do not primarily earn bonuses for actual sales of Vemma Products. Instead, Vemma rewards Affiliates for personally purchasing Vemma Products to maintain bonus eligibility, and for recruiting others who likewise purchase Vemma Products to maintain bonus eligibility. Overall, the key determinate of an Affiliate's income, and thus the activity incentivized by the compensation plan, is the recruitment of Affiliates into the Affiliate's downline teams, who then recruit other Affiliates, and so on.

62. In fact, the likelihood of Affiliates earning profits on retail sales is minimal. While Vemma states that Affiliates may keep profits they earn by selling Vemma Products, Vemma offers no meaningful discounts or incentives to encourage such behavior. The company also severely restricts Affiliates from selling Vemma Products, expressly prohibiting sales at business or retail outlets or offices, flea markets, swap meets, garage sales, home shopping networks, and online stores or auction sites, including eBay and Craigslist.

63. In sum, unlike legitimate multilevel marketing businesses, Defendants reward Affiliates for recruiting and for purchasing products to maintain bonus eligibility rather than for selling products to ultimate-user consumers.

VIOLATIONS OF SECTION 5 OF THE FTC ACT

64. Section 5(a) of the FTC Act, 15 U.S.C. § 45(a), prohibits “unfair or deceptive acts or practices in or affecting commerce.”

65. Misrepresentations or deceptive omissions of material fact constitute deceptive acts or practices prohibited by Section 5(a) of the FTC Act.

COUNT I

Illegal Pyramid

66. As alleged above, Defendants promote participation in Vemma, which has a compensation program based primarily on providing payments to participants for the recruitment of new participants, not on the retail sale of products or services, thereby resulting in a substantial percentage of participants losing money.

67. Defendants’ promotion of this type of scheme, often referred to as a pyramid scheme, constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II

Income Claims

68. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of the right to participate in the Vemma program,

Defendants have represented, directly or indirectly, expressly or by implication, that consumers who become Vemma Affiliates are likely to earn substantial income.

69. In truth and in fact, in numerous instances in which Defendants have made the representations set forth in Paragraph 68 of this Complaint, consumers who become Vemma Affiliates are not likely to earn substantial income.

70. Therefore, Defendants' representations are false or misleading and constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT III

Failure to Disclose

71. In numerous instances in connection with the advertising, marketing, promotion, offering for sale, or sale of the right to participate in the Vemma program, Defendants have represented, directly or indirectly, expressly or by implication, that individuals have earned substantial income from participation in the Vemma program, and that any consumer who becomes a Vemma Affiliate has the ability to earn substantial income.

72. In numerous instances in which Defendants have made the representation set forth in Paragraph 71 of this Complaint, Defendants have failed to disclose, or disclose adequately, that Vemma's structure ensures that most consumers who become Vemma Affiliates will not earn substantial income.

73. This additional information would be material to consumers in deciding whether to participate in the Vemma program.

74. Defendants' failure to disclose, or to disclose adequately, the material information described in paragraph 72, in light of the representations made in paragraph 71, constitutes a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT IV

Means and Instrumentalities

75. By furnishing Vemma Affiliates with promotional materials to be used in recruiting new participants that contain false and misleading representations, Defendants have provided the means and instrumentalities for the commission of deceptive acts and practices.

76. Therefore, Defendants' practices, as described in Paragraph 75 of this Complaint, constitute a deceptive act or practice in violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT V

Relief Defendant

77. Relief Defendant Bethany Alkazin, has received, directly or indirectly, funds or other assets from Defendants that are traceable to funds obtained from Defendants' customers through the deceptive acts or practices described herein.

78. Relief Defendant is not a bona fide purchaser with legal and equitable title to Defendants' customers' funds, and Relief Defendant will be unjustly enriched if she is not required to disgorge the funds or the value of the benefit she received as a result of Defendants' deceptive acts or practices.

79. By reason of the foregoing, Relief Defendant holds funds and assets in constructive trust for the benefit of Defendants' customers.

CONSUMER INJURY

80. Consumers have suffered and will continue to suffer substantial injury as a result of Defendants' violations of the FTC Act. In addition, Defendants have been unjustly enriched as a result of their unlawful acts or practices. Absent injunctive relief by this Court, Defendants are likely to continue to injure consumers, reap unjust enrichment, and harm the public interest.

THIS COURT'S POWER TO GRANT RELIEF

81. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court to grant injunctive and such other relief as the Court may deem appropriate to halt and redress violations of any provision of law enforced by the FTC. The Court, in the exercise of its equitable jurisdiction, may award ancillary relief, including rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies, to prevent and remedy any violation of any provision of law enforced by the FTC.

PRAYER FOR RELIEF

Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b) and the Court's own equitable powers, requests that the Court:

A. Award Plaintiff such preliminary injunctive and ancillary relief as may be necessary to avert the likelihood of consumer injury during the pendency of this action and to preserve the possibility of effective final relief, including but not limited to,

temporary and preliminary injunctions, an order freezing assets, immediate access, and appointment of a receiver;

B. Enter a permanent injunction to prevent future violations of the FTC Act by Defendants;

C. Award such relief as the Court finds necessary to redress injury to consumers resulting from Defendants' violations of the FTC Act, including but not limited to, rescission or reformation of contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten monies;

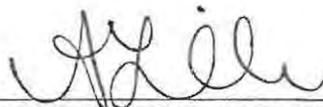
D. Enter an order requiring Relief Defendant to disgorge all funds and assets, or the value of the benefit she received from the funds and assets, which are traceable to Defendants' deceptive acts or practices; and

E. Award Plaintiff the costs of bringing this action, as well as such other and additional relief as the Court may determine to be just and proper.

DATED this 17th day of August, 2015.

Respectfully submitted,

JONATHAN E. NUECHTERLEIN
General Counsel



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FEDERAL TRADE COMMISSION

Ex. 21



INTRODUCING THE
WORLD'S FIRST
INSTANT PAY
COMPENSATION PLAN

Effective Date: February 17, 2011



WWW.TALKFUSION.COM



WELCOME!

At Talk Fusion, we understand that our Independent Associates are the most important element of our business – when you succeed, we succeed.
So we've designed an incredibly rewarding and straightforward
Compensation Plan that PAYS YOU INSTANTLY for your achievements.

There are **7 Ways** to earn income with Talk Fusion:

- 1. Fast Start Bonuses**
- 2. Team Commissions**
- 3. Bronze Maker Bonuses**
- 4. Mega Matching Bonuses**
- 5. Mercedes Madness Car Bonus**
- 6. Advancement Bonuses**
- 7. Leadership Pool**





1 FAST START BONUSES

Sharing the Talk Fusion Products with Customers is one of the fundamental elements of your Talk Fusion Business and an excellent way to begin earning income immediately. Each time an Associate or Customer you enroll purchases a Product Package, you will earn a **Fast Start Bonus!** There is no limit to the number of Fast Start Bonuses you can earn!

For every **Starter Package** you sell, you will **earn \$10 USD.**

For every **Executive Package** you sell, you will **earn \$20 USD.**

For every **Elite Package** you sell, you will **earn \$60 USD.**



Any earnings portrayed in any Talk Fusion marketing materials are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Compensation Plan. All references to income, implied or stated, throughout the Talk Fusion Compensation Plan are for illustrative purposes only. These figures should not be considered as guarantees or projections of your actual earnings or profits. Talk Fusion does NOT guarantee any level of income or earnings to any Associate; any representation or guarantee of earnings would be misleading.



2 TEAM COMMISSIONS

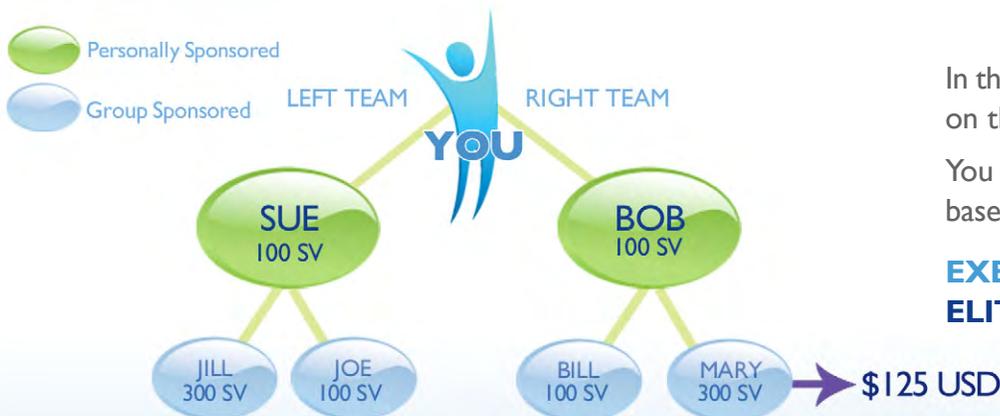
The Key to Success with Talk Fusion is very simple:
Achieve the Rank of Bronze and help others in your Team to go Bronze.

Team Commissions are the foundation of the Talk Fusion Compensation Plan

As a new Associate, you will want to share the Talk Fusion Products with new Customers in order to begin earning income immediately. You will also focus on building a strong Organization of Associates, and helping that Organization generate Sales Volume (SV) through their own Talk Fusion Businesses.

In order to qualify for Team Commissions, you only need to build 2 Sales Teams. You must become Active by Personally generating a minimum, onetime, 100 Personal Sales Volume (PSV), and get Qualified by Personally Sponsoring 1 Active Associate on the Left Team and 1 Active Associate on the Right Team. You must maintain a minimum Personal Sales Volume of 10 each subsequent month to remain Active.

Each time your Team generates Sales Volume (SV) of 100 in both your Left and Right Teams, whether you made the sale or not, you will earn a Commission Cycle of \$25 USD. You can do this over and over again each day, up to \$50,000 USD per week per business center. Any unpaid Sales Volume is carried forward.



In this example, you have 500 SV on the Left and 500 SV on the Right.

You would earn **\$125 USD** based upon 5 cycles.

EXECUTIVE PKG = 100 SV
ELITE PKG = 300 SV

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RESIDUAL INCOME

Talk Fusion's Instant Pay Compensation Plan even pays Residual Income on an Instant basis

Because Talk Fusion's Video Communication Products have a monthly subscription*, you can have a regular and reliable stream of income. Each monthly subscription is assigned a Sales Volume (SV) that is paid through your 2 Team Structure. Associates will earn \$25 USD each time they have Sales Volume (SV) of 100 in both your Left and Right Teams.

This is one of the reasons why selling the Talk Fusion Products to loyal Customers can be as important as building a strong Team of Associates – subscriptions add to your Residual Income.

-  Personally Sponsored
-  Group Sponsored

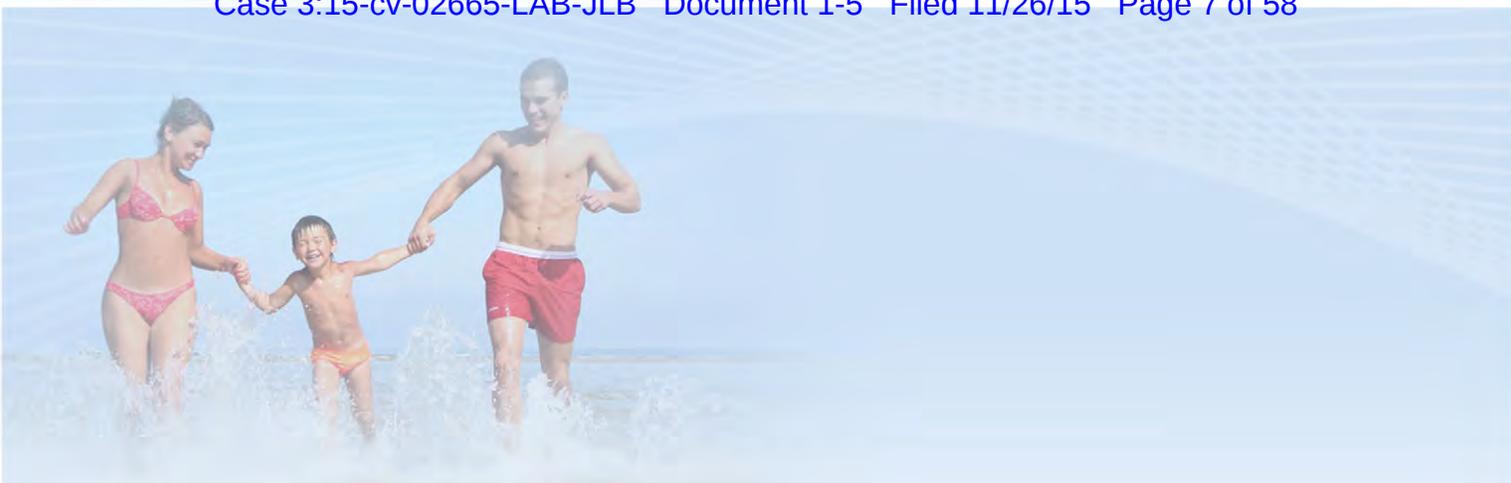


For example, Plan A has 20 Sales Volume, so each time you have 5 Plan A Subscriptions on both your Left and Right Teams, you will earn a cycle of \$25 USD.

Please note that other monthly subscription plans carry even higher Sales Volume; resulting in higher residual earnings. (see chart below)

PLAN	COST	SV
A	\$35 USD	20
B	\$65 USD	35
C	\$115 USD	60
D	\$165 USD	85
E	\$215 USD	110

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3 UNLIMITED BRONZE MAKER BONUSES

Personally Sponsor 1 Active Associate on your Left Team and 1 Active Associate on your Right Team and you become Bronze. When you help your Personally Sponsored Associates become Bronze for the first time and within 30 days of registration, you become a Bronze Maker, and you will earn a Bronze Maker Bonus of **\$20 USD**.



There is no limit to the number of Bronze Maker Bonuses you can earn!

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4 MEGA MATCHING BONUSES

To further reward our Associates, Talk Fusion has created the Mega Matching Bonus program. This allows you to earn an additional 10% of the Team Commissions of your Personally Sponsored Associates. For example, if you Sponsored John and his Team Commissions were \$300 USD, you would earn an extra **\$30 USD**.

There is no limit to the number of Mega Matching Bonuses you can earn!



5 MERCEDES MADNESS CAR BONUS

DRIVE IN STYLE!



Talk Fusion rewards your efforts and celebrates your success by paying for you to drive a brand-new Mercedes-Benz.*

When you achieve the Rank of **3 Star** and maintain it for four consecutive weeks, you will qualify for the incredible **Mercedes Madness Car Bonus** and receive an additional **\$600 USD** toward your car payment for every month that you satisfy the requirements of 3 Star or above! And if you're not ready to drive a **silver C Class or higher Mercedes**, you can elect to receive a **\$300 USD** cash bonus in lieu of the car bonus for every month that you qualify!

*See the **Mercedes Madness Rules & Agreement** for complete details of the Mercedes Madness Car Bonus:

Rules: <http://www.talkfusion.com/promotions/mercedes/rules.pdf>

Agreement: <http://www.talkfusion.com/promotions/mercedes/agreement.pdf>



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6 ADVANCEMENT BONUSES

Talk Fusion rewards you for your personal achievements as you advance through the ranks. Advancement Bonuses are a onetime bonus that is paid when you reach a specified rank for the first time and maintain that rank for two consecutive weeks.



RANK	USD
Diamond	\$1,000
Double Diamond	\$2,000
Triple Diamond	\$3,000
Diamond Elite	\$5,000

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7 LEADERSHIP POOL



The Leadership Pool is a revenue-sharing Bonus Pool earned by Qualified Blue Diamonds. Qualified **Blue Diamond** Associates share in **1%** of the total Sales Volume that is generated through Talk Fusion **WORLDWIDE**. Qualified **Grand Blue Diamond** Associates share in **1.25%** and Qualified **Royal Blue Diamond** Associates share in **1.5%**.



TALK FUSION RANKS

	TALK FUSION RANK	REQUIRED WEEKLY CYCLES
	Bronze	1
	Silver	5
	Gold	10
	1 Star	20
	2 Star	30
	3 Star	50
	Diamond	100
	Double Diamond	150
	Triple Diamond	200
	Diamond Elite	250
	Blue Diamond	500
	Grand Blue Diamond	1,000
	Royal Blue Diamond	1,500 <i>And must Personally Sponsor 1 Blue Diamond or above in both Left and Right Legs</i>

THE ELITE ADVANTAGE

If you plan to build a large Talk Fusion Business, you can maximize your earning potential by marketing Talk Fusion's **Elite Product Package**. The Elite Package is Talk Fusion's best Product Value, and offers you the best way to Leverage your Income right from the start.

Each Talk Fusion Product Package has a Sales Volume (SV) associated with it:

- Starter Package – 50 SV
- Executive Package – 100 SV
- Elite Package – 300 SV



As you can see, selling an **Elite Package** rewards you with **3 TIMES the SV** and **Fast Start Bonus** you would receive for selling an Executive Package, and **6 TIMES the SV** and **Fast Start Bonus** of the Starter Package.

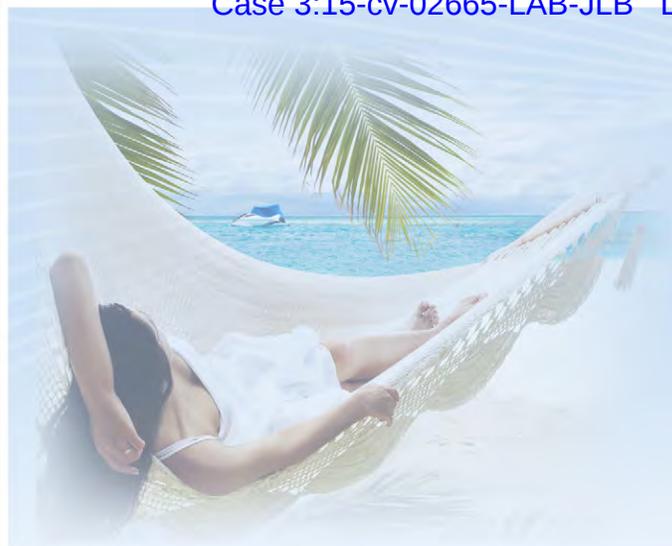
Customers get the absolute best Talk Fusion Product, and you earn the most commissions for doing the same amount of work.



TRIPLE YOUR COMMISSIONS GO ELITE!

PRODUCT PACKAGE	COMMISSIONS	BENEFITS
<p>STARTER</p> <ul style="list-style-type: none"> • \$125 USD & \$20 USD/month • 1 Product – Video Email Only • 1 User 	<p>10 Sales Left–10 Sales Right–\$125 USD 50 Sales Left–50 Sales Right–\$625 USD 100 Sales Left–100 Sales Right–\$1,250 USD 500 Sales Left–500 Sales Right–\$6,250 USD</p>	
<p>EXECUTIVE</p>  <ul style="list-style-type: none"> • \$250 USD & \$35 USD/month • Includes All Video Communication Products • 1 Custom Video Email Template • Mercedes Car Bonus Eligible • 5 Users 	<p>10 Sales Left–10 Sales Right–\$250 USD 50 Sales Left–50 Sales Right–\$1,250 USD 100 Sales Left–100 Sales Right–\$2,500 USD 500 Sales Left–500 Sales Right–\$12,500 USD</p>	<p>DOUBLE INCOME</p>  <p>Same amount of work</p>
<p>BEST VALUE!</p>  <p>ELITE</p> <ul style="list-style-type: none"> • \$750 USD & \$35 USD/month • Includes All Video Communication Products • 3 Custom Video Email Templates • 1 Video Email Private Label Logo • Mercedes Car Bonus Eligible • 3 Business Centers • 15 Users 	<p>10 Sales Left–10 Sales Right–\$750 USD 50 Sales Left–50 Sales Right–\$3,750 USD 100 Sales Left–100 Sales Right–\$7,500 USD 500 Sales Left–500 Sales Right–\$37,500 USD</p>	<p>TRIPLE INCOME</p>  <p>Same amount of work</p>

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IMPORTANT TERMS

Sales Volume: Each Product is assigned a point value called Sales Volume (SV), and the Compensation Plan is based on the accumulation of these points.

Group Sales Volume: Group Sales Volume (GSV) is the accumulation of Sales Volume on each Product purchased in your downline.

Personal Sales Volume: Personal Sales Volume (PSV) is Sales Volume that you Personally generate via Personal Product purchases or retail sales to Customers.

Qualified: You have at least 1 Personally Sponsored and Active Associate on both your Left and Right Teams.

Business Center: Your Business Center is where you are Personally placed within the Talk Fusion organization.

Cycle: Sales Volume (SV) of 100 in both your Left and Right Teams will earn a Commission Cycle.

Active: You Personally generate a minimum onetime 100 Personal Sales Volume, (PSV) and maintain a minimum of 10 Personal Sales Volume (PSV) on a monthly basis to maintain an Active status.

Bronze Maker Bonus: Personally Sponsor 1 Active Associate on your Left Team and 1 Active Associate on your Right Team and you become Bronze. When you help your Personally Sponsored Associates become Bronze for the first time and within 30 days of registration, you become a Bronze Maker and you will earn a Bronze Maker Bonus.

COMPENSATION PLAN

Q&A

1. How do I get paid instantly?

Make a sale today and your Commissions are instantly loaded on your Global Cash Card.

2. When will I receive my Global Cash Card?

Once you earn your first Commission, your Global Cash Card will be mailed to you by the United States Postal Service first class mail. Expected delivery time will be approximately 7-14 days, depending on your location. With a Global Cash Card, Commissions can be withdrawn from nearly one million Automated Teller Machines (ATMs) worldwide or transferred directly into your bank account. If you would like to pay for expedited delivery via United Parcel Service (UPS), please contact support@talkfusion.com and we will provide you with cost estimates and delivery times.

3. Do I have a cap on my weekly earning potential?

You may earn a maximum Team Commission of \$50,000 USD per week per Business Center. There is no max on Fast Start Bonuses, Matching Bonuses and the Leadership Pool.

4. If I am Active and Qualified when my Volume Cycles, and my Volume count was 7 Executive Sales (700 SV) Left and 10 Executive Sales (1000 SV) Right, what would my Team Commissions be?

Remember, Team Commissions are paid when your Center cycles. A cycle is 100 SV Left and 100 SV Right. So, in this example, you would earn on 7 cycles (7 cycles x \$25 USD = \$175 USD). You would then subtract 700 SV from the Left and 700 SV from the Right. Therefore, you would carry 0 SV Left and 300 SV Right forward.

5. Does Sales Volume ever flush?

Volume is maintained as long as you remain Active and your qualifiers continue to be met.

6. If I go Inactive, what will happen to my Sales Volume?

After 60 days of inactivity, all accumulated Sales Volume will be reset to Zero. Lost Sales Volume is not retained; however, you can reactivate by Personally generating a minimum of 10 Personal Sales Volume and maintaining it on a Monthly basis. After 12 consecutive weeks of Inactivity, Associate Status will be terminated and your Account will be closed.

7. How do I earn a Bronze Maker Bonus?

Personally Sponsor one Active Associate on your Left Team and one Active Associate on your Right Team and you become Bronze. When you help your Personally Sponsored Associates become Bronze for the first time and within 30 days of registration, you become a Bronze Maker, and you will earn a Bronze Maker Bonus of \$20 USD. There is no limit to the number of Bronze Maker Bonuses you can earn.

8. When are the Advancement Rank Bonuses earned?

The Bonuses are earned when you achieve the specified rank for the first time and maintain that Rank for two consecutive weeks. For example, if you advance from 3 Star to Diamond and maintain the Diamond Rank for two consecutive weeks, you would receive a cash bonus of \$1,000 USD. All Advancement Rank Bonuses are paid out on the 15th of the following month.

9. Can I earn all 4 Advancement Rank Bonuses in a 2-week period?

No, in order to receive an Advancement Rank Bonus, you must maintain a specific Rank for 2 consecutive weeks. Therefore, in order to Qualify for all 4 Advancement Rank Bonuses, it would take a minimum of 8 weeks.

Continued on next page...

COMPENSATION PLAN

Q&A

10. How do I earn the Leadership Bonus Pool?

In order to qualify for the Leadership Pool, you must meet Rank Sales volume requirements all 4 weeks of the month. Leadership Pool commissions will be paid on the 20th of the month following the month in which they were earned.

11. Which countries are included in the Leadership Bonus Pool?

All countries with active Associates.

12. How many shares of the Leadership Bonus Pool can one Associate earn?

One individual Associate can earn a maximum of 25% of the Leadership Pool. For example, if the total Leadership Pool is \$10,000 USD and there is only one Qualified Associate, that Associate is eligible for a total of \$2,500 USD. If there are four (4) or more Qualified Associates, they would equally share the total Leadership Pool amount. In other words, 10 Qualified Associates would each earn \$1,000 USD.

13. What are the differences between Commission Rank and Recognition Rank?

Commission Rank is the Rank at which you are paid and is determined by meeting the Sales Volume and other Compensation Plan requirements in any Commission Week. This can vary from your Recognition Rank, which is the highest Rank at which you have ever been paid.

14. Can I have more than one Business Center?

Once you reach the rank of Blue Diamond, a complimentary new Business Center will be placed above your original Business Center.

15. Are additional Business Centers required to advance within the Talk Fusion Compensation Plan?

While additional Business Centers allow you to maximize your earning potential, they are not required to advance within the Compensation

Plan. You can reach the top Rank in the Compensation Plan by building with your initial Business Center.

16. If I accidentally place someone in the wrong position in my downline, can I move them to the correct one?

Commissions are automatically credited to you and your entire upline as sales occur. As such, once a Registration is complete, an Associate's position cannot be moved or changed. Please make sure your Sponsor & placement selections are accurate before proceeding.

17. Is there a processing fee for Commissions earned?

Talk Fusion offers the World's First Instant Pay Compensation Plan, in which Associates earn their Commissions instantly. Please note, a fee of \$0.25 USD is deducted each time a Commission is loaded to your Global Cash Card. For Example: If you earn a Fast Start Bonus of \$20 USD, the amount of \$19.75 USD will be instantly applied to your Global Cash Card.

18. Can I receive a Talk Fusion Branded Debit MasterCard?

Yes. Gear up for success and brand yourself everywhere you go! For \$25 USD, you can purchase a Talk Fusion Debit MasterCard. Email support@talkfusion.com to order yours today! Per MasterCard restrictions, these cards are only available in the US & Canada.

19. Is a Product purchase required to become a Talk Fusion Independent Associate?

No

20. Why is the Elite Package Talk Fusion's Ultimate Product Value?

- Includes the entire Suite of Cutting-Edge Video Communication Products
- Private Labeling for Video Email – a \$500/month value

Continued on next page...

COMPENSATION PLAN Q&A

- 3 One-of-a-Kind Custom Video Email Templates
- Up to 15 Account Users – 3 Times the Executive Package maximum

21. How does the Elite Package offer additional benefits?

- Automatically Qualify Your #1 Business Center
- Automatically Earn Your First Cycle
- Your Sponsor will Automatically Earn a Bronze Maker Bonus
- Instantly Begin Accumulating Sales Volume in all 3 Business Centers
- \$35 USD Monthly Subscription will keep all 3 Business Centers Active

22. When I purchase or upgrade to the Elite Product Package, am I receiving an inventory of 3 Executive Products?

Absolutely Not. Talk Fusion Associates are not allowed to purchase product inventory of any kind. You will be receiving only one Video Communications Product, The Elite Product Package, for your personal and business communication needs. The Elite Product Package has the ultimate in product functionality, such as Private Labeling Ability for all Video Emails as well as 3 Custom Templates. It is just one product with superior product features and functionality; thus it has a higher cost and more Sales Volume Associated with its sale.

23. Which countries have a monthly Product subscription?

Associates in all countries except India, Nigeria, Kuwait, Bahrain, Bangladesh, Nepal, Oman, Philippines, Qatar, Saudi Arabia, Ukraine and U.A.E. must personally generate a minimum of 10 Personal Sales Volume (PSV) on a monthly basis to maintain an Active status.



24. How are Commissions paid in India?

All Commissions will be paid by check and mailed on Mondays, one week after the cycle in which they were earned. Associates are eligible to receive Commissions after their Payment has been received and processed. Please note that TDS will be withheld at the government required rate of 20% for Associates who do not supply a copy of their PAN Card. Associates who provide a copy of their PAN Card by the end of a Commission Cycle will have the benefit of TDS being withheld at the lower rate of 10%. Please note: Associates will have 60 days after they join to submit their PAN number. There will be a processing fee of INR 25 for every check couriered.

25. When are Commissions calculated in India?

Commissions are calculated at the end of the Commission Cycle, which ends Saturday at 11:59pm Eastern. Any Sales Volume generated from Sunday, 12:01am Eastern - Saturday at 11:59pm Eastern will be paid one week from the following Monday by end of business.

26. What Conversion Rate is being used for Rupees to United States Dollars?

INR 45 equals \$1 USD, for all conversions of pricing and Commissions, India only.

MERCEDES MADNESS CAR BONUS FAQ

Important Things You Should Know

1. How can I qualify?

You must maintain the rank of 3 Star or higher for four consecutive weeks in order to receive the \$600 USD Mercedes Madness Car Bonus.

2. Which Mercedes can I get?

You can purchase or lease a Silver Mercedes C Class or above. Used vehicles should not be more than 4 years old and must have less than 60,000 miles and no visible damage beyond normal wear.

3. What Package do I need to have to get the Mercedes Madness Car Bonus?

New Associates must become Executive or Elite during the first 30 days after initial registration.

4. What if I'm not ready to receive a brand-new Mercedes at this time?

You can choose a \$300 USD cash bonus in lieu of the car bonus for each 4 consecutive week period that you qualify.

5. What do I need to send the Talk Fusion Corporate Office in order to receive my Mercedes Madness Bonus?

You must send in your Testimonial, signed Acknowledgements & Responsibilities Form and a hi-res photo of you with your brand-new Mercedes.

6. Is the Mercedes Madness Bonus available in all countries in which Talk Fusion operates?

Yes! Any Associate, anywhere in the world, can qualify to drive a Mercedes-Benz on us!



A PERSONAL MESSAGE FROM FOUNDER & CEO BOB REINA

“Hard Work Required Here”

People often ask me what is the “key” to success in Direct Selling, but there is no “exact formula.” I know desire, sacrifice and hard work over time are absolute requirements, but even these elements don’t constitute a guarantee.

When I began my career in Direct Selling over 20 years ago, I was working full-time as a policeman. I put in long hours on the phone and in meetings on top of the 40-plus weekly hours of my “day job,” building a Customer base, signing up new Associates and eventually teaching those Associates what I’d learned. I made a lot of mistakes, and there were many, many months when my phone bill was larger than my commission check. I stuck with it, though, sacrificing valuable “free time” because I saw the potential in earning income from a team’s work rather than just my own. But at the same time, I understood that Direct Selling was really just an opportunity—what I got out of it depended on the dedication and “sweat equity” I put into it. That’s very important to remember if you are considering joining Talk Fusion as an Independent Associate: while the possibility of earning supplemental income exists, what you get out of your Talk Fusion business depends entirely upon successful sales efforts, which require hard work, diligence and leadership, and how well you exercise these qualities. It also takes time to learn to be your own boss, train your team and build the proper infrastructure.

Direct Selling is a 2 to 5-year plan; you will not be able to retire in 4-6 months. You must work the business for **AT LEAST** 1 year to even reach a good evaluation point from which you can really measure your progress, but I honestly believe that if you follow the system and consistently dedicate 7-10 hours per week for a year, you will be at a place where you won’t want to stop. But you must be willing to dedicate yourself, and sacrifice your own “comfort time” and other activities in exchange for the opportunity to earn additional income.

No Income Is Promised

In my opinion, no company should ever make get-rich-quick claims. Unfortunately, some companies in the Direct Selling industry imply that potential Associates can make a full-time income, or in some cases a lot more, with very little work. This is one of the reasons why so many people new to the industry become disenchanted and quit.

The reality, however, is that in Direct Selling, most Associates do not receive “substantial income,” and a majority receives no income at all. This is true of Talk Fusion as well. Some join a company just to get the product at a discount, and many join to get the product at a discount and make a small side income. A very small percentage of Associates earn what most people consider a “full-time” income, and just like in any other industry, the “top earners” are the rare minority. We tell you this because, unlike some companies, we want you to be fully informed and consider ourselves to be a refreshingly honest voice within the industry.

Continued on next page...

A PERSONAL MESSAGE FROM FOUNDER & CEO BOB REINA

Why?

At Talk Fusion, our core leadership of Associates fully understands that in order to be successful, it takes a sacrifice that is difficult to put into words. And it is up to you to decide to make that sacrifice. We do everything possible to provide you with everything you need to be successful, from world-class products available at an incredible value to paying commissions instantly and providing unbeatable customer service and training. But you have to want to be successful on your own terms. If you decide to watch TV rather than attend a training call, or go shopping instead of logging into a Live Broadcast or following up with a prospect, we will not know. We would like for you to take advantage of everything Talk Fusion provides, but we cannot want your success more than you want it for yourself.

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Conclusion

When you succeed, we succeed, so of course we want you to be as successful as possible. The rest is just "sweat equity." But that's one thing we can't do for you. You must be willing to commit at the level needed to achieve your desire.

The truth is that most people are simply not willing to make the necessary combination of sacrifices that facilitate the results they want. The individuals who achieve remarkable success with Talk Fusion or other Direct Selling companies understand that it is a business that requires a commitment over a period of years as well as the dedication to putting in the kind and amount of work necessary.

My hope is that you'll view Direct Selling as the professional career it has become. Unlike other industries, Direct Selling offers you the opportunity to nurture and empower your inherent talents, as well as those of your entire team. In this business, success means the chance to develop intellectually, emotionally and financially while you contribute in a positive way to the lives of others.

Ex. 22

THE WORLD'S FIRST INSTANT PAY COMPENSATION PLAN



WWW.TALKFUSION.COM

BONUSES

1 FAST START BONUS

Sharing the Talk Fusion Products with Customers is one of the fundamental elements of your Talk Fusion Business and an excellent way to begin earning income immediately. Each time an Associate or Customer you enroll purchases a Product Package, you will earn a **Fast Start Bonus!** There is no limit to the number of Fast Start Bonuses you can earn!

- For every **Starter Package** you sell, you will earn **\$10 USD**.
- For every **Executive Package** you sell, you will earn **\$20 USD**.
- For every **Elite Package** you sell, you will earn **\$60 USD**.
- For every **Pro Pak** you sell, you will earn **\$120 USD**.

2 UNLIMITED BRONZE MAKER BONUS

Personally Sponsor 1 Active Associate on your Left Team and 1 Active Associate on your Right Team (100 SV minimum) and you become Bronze. When you help your Personally Sponsored Associates become Bronze for the first time and within 30 days of registration, you become a Bronze Maker, and you will earn a Bronze Maker Bonus of **\$20 USD**.

VIDEONEWSLETTER 

VIDEOBLOG 

CONNECT 

VIDEOEMAIL 

FUSIONWALL 

VIDEOResponder 

E-SUBSCRIPTIONFORMS 

VIDEOSHARE 

FUSIONOnTheGo 

TEAM COMMISSIONS

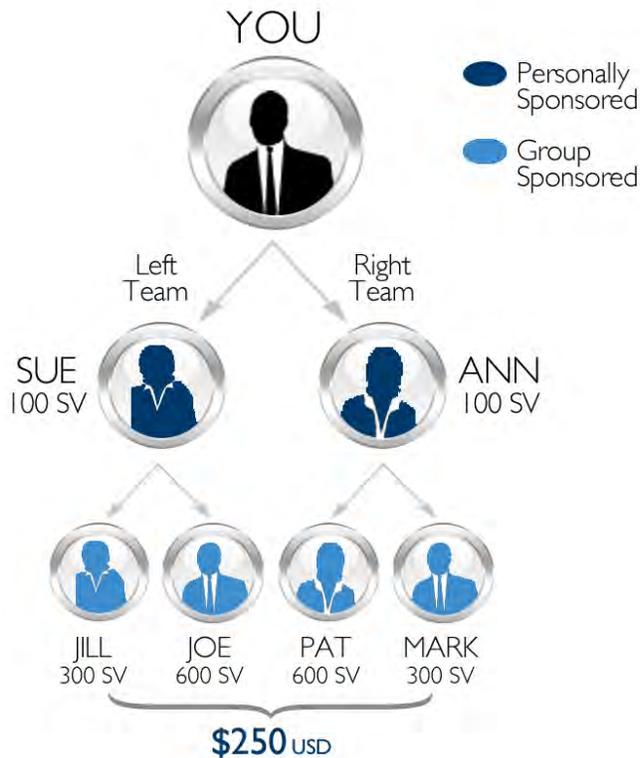
3 Team Commissions are another important aspect of the Talk Fusion Compensation Plan. As a new Associate, you will want to share the Talk Fusion products with new Customers in order to begin earning income immediately. You will also help your organization generate volume through product sales.

Team Commissions are calculated from your binary tree, which has two legs: a left and a right. You will be compensated based upon successfully building Group Sales Volume (GSV) within the Binary Tree. Associates placed above you may also place people in your Binary Tree.

Calculating Team Commissions

You must be Active and Qualified to be eligible to earn Team Commissions. When you have a minimum of 100 Sales Volume in each of your binary tree legs, you will earn a Commission Cycle of \$25 USD. Any unpaid Group Sales Volume is carried forward, as long as you remain Active.

Although Team Bonuses may be earned by being an Executive Associate, you can maximize the Compensation Plan by being a Pro Associate.



In this example, as a Pro Associate you have 1000 SV on the Left and 1000 SV on the Right. You would earn \$250 USD based upon 10 cycles.

- STARTER = 50 SV**
- EXECUTIVE = 100 SV**
- ELITE = 300 SV**
- PRO = 600 SV**

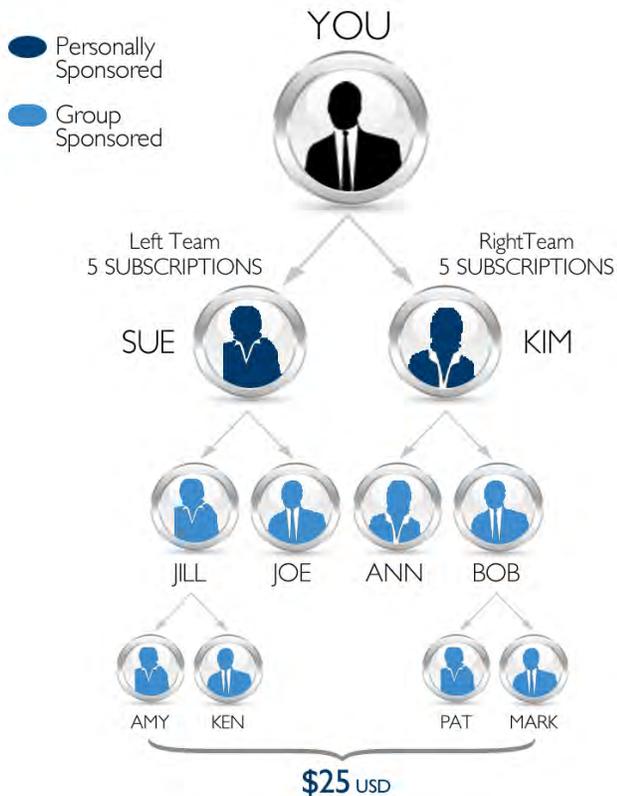
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RESIDUAL INCOME

Talk Fusion's Instant Pay Compensation Plan even pays Residual Income on an Instant basis

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This is one of the reasons why selling the Talk Fusion Products to loyal Customers can be as important as building a strong Team of Associates – subscriptions add to your Residual Income.



For example, Plan A has 20 Sales Volume, so each time you have 5 Plan A Subscriptions on both your Left and Right Teams, you will earn a cycle of \$25 USD.

**Please note that other monthly subscription plans carry even higher Sales Volume; resulting in higher residual earnings. (see chart below)*

PLAN	COST	SV
A	\$35 USD	20
B	\$65 USD	35
C	\$115 USD	60
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BONUSES

4 MEGA MATCHING BONUSES

To further reward our Associates, Talk Fusion has created the Mega Matching Bonus program. This allows you to earn an additional 10% of the Team Commissions of your Personally Sponsored Associates. For example, if you Sponsored John and his Team Commissions were \$300 USD, you would earn an extra **\$30 USD**.

There is no limit to the number of Mega Matching Bonuses you can earn!

5 ADVANCEMENT BONUSES

Talk Fusion rewards you for your personal achievements as you advance through the ranks. Advancement Bonuses are a one-time bonus that are paid when you reach a specified rank for the first time and maintain that rank for two consecutive weeks.

RANK

Double Diamond \$2,000 USD

Triple Diamond



Talk Fusion Dream Getaway, luxury trip for two to the Grand Wailea Resort in Maui, Hawaii. See Pg 7 for details.

Diamond Elite \$5,000 USD



6 LEADERSHIP POOL

The Leadership Pool is a revenue-sharing Bonus Pool earned by Qualified Blue Diamonds & Above. Qualified Associates who go Blue Diamond and above share in a percentage of the total Sales Volume generated through Talk Fusion WORLDWIDE.

RANK

%

Blue Diamonds	1%
Grand Blue Diamonds	1.25%
Royal Blue Diamonds	1.5%
Presidential Blue Diamonds	1.75%
Ambassador Blue Diamond	2%
Imperial Blue Diamond	2.25%

Any earnings portrayed in any Talk Fusion marketing materials are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Compensation Plan. All references to income, implied or stated, throughout the Talk Fusion Compensation Plan are for illustrative purposes only. These figures should not be considered as guarantees or projections of your actual earnings or profits. Talk Fusion does NOT guarantee any level of income or earnings to any Associate; any representation or guarantee of earnings would be misleading.

Exhibit 22: Page 7

TALK FUSION Dream GETAWAY

JOIN US IN
Maui, Hawaii!



GO TRIPLE DIAMOND & QUALIFY!

When you first achieve the rank of Triple Diamond and maintain that rank for 2 consecutive weeks, you and a guest may attend the Talk Fusion Dream Getaway. Thereafter, you and a guest may also attend twice a year if you are paid as a Triple Diamond or above for at least 60% of the weeks during the Talk Fusion Dream Getaway qualification period.

The Incentive trip is non-transferable. Airfare allowance is up to \$1,500 USD per person for Associates outside of the United States and up to \$1,000 USD per person for Associates within the US. Trips are limited to 1 trip per Household or Business Entity. All guests must be 18 years or older.



Grand Wailea[™]
A WALDORF ASTORIA RESORT



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Mercedes
M A D N E S S



Talk Fusion rewards your efforts and celebrates your success by paying for you to drive a brand-new Mercedes-Benz.*

- 7 When you achieve the Rank of **3 Star** and maintain it for four consecutive weeks, you will qualify for the incredible **Mercedes Madness Car Bonus** and receive an additional **\$600 USD** toward your car payment for every month that you satisfy the requirements of 3 Star or above! And if you're not ready to drive a **Silver C Class or higher Mercedes**, you can elect to receive a **\$300 USD** cash bonus in lieu of the car bonus for every month that you qualify!

*See the **Mercedes Madness Rules & Agreement** for complete details of the Mercedes Madness Car Bonus



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Exhibit 22: Page9

TALK FUSION RANKS

	TALK FUSION RANK	REQUIRED PRODUCT CYCLES
	Bronze	1
	Silver	5
	Gold	10
	1 Star	20
	2 Star	30
	3 Star	50
	Diamond	100
	Double Diamond	150
	Triple Diamond	200
	Diamond Elite	250
	Blue Diamond	500
	Grand Blue Diamond	1,000
	Royal Blue Diamond	1,500
	Presidential Blue Diamond	2,500
	Ambassador Blue Diamond	5,000
	Imperial Blue Diamond	7,500
		<i>And must Personally Sponsor 1 Grand Blue Diamond or above in both Left and Right Legs</i>

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Exhibit 22: Page10

IMPORTANT TERMS

Sales Volume: Each Product is assigned a point value called Sales Volume (SV), and the Compensation Plan is based on the accumulation of these points.

Group Sales Volume: Group Sales Volume (GSV) is the accumulation of Sales Volume on each Product purchased in your downline.

Personal Sales Volume: Personal Sales Volume (PSV) is Sales Volume that you Personally generate via Personal Product purchases or retail sales to Customers.

Qualified: You have at least 1 Personally Sponsored and Active Associate on both your Left and Right Teams.

Business Center: Your Business Center is where you are Personally placed within the Talk Fusion organization.

Cycle: Sales Volume (SV) of 100 in both your Left and Right Teams will earn a Commission Cycle.

Active: You Personally generate a minimum one-time 50 Personal Sales Volume (PSV) and maintain a minimum of 10 Personal Sales Volume (PSV) on a monthly basis to maintain an Active status.

Bronze Maker Bonus: Personally Sponsor 1 Active Associate on your Left Team and 1 Active Associate on your Right Team (100 SV minimum) and you become Bronze. When you help your Personally Sponsored Associates become Bronze for the first time and within 30 days of registration, you become a Bronze Maker and you will earn a Bronze Maker Bonus.



FAQ

1. How do I get paid instantly?

Make a sale today and your Commissions will be instantly credited to your E-Wallet account.

2. How do I open an E-Wallet account?

Once you earn your first Commission, your E-Wallet account will be automatically set up for you in 5 business days. Once it's set up, you will receive a confirmation email from Talk Fusion, plus an email from PAYLUTION® on how to activate your account. All Commissions earned will immediately go into your E-Wallet account.

3. How do I become and remain Qualified to receive Team Commissions?

In order to become and remain Qualified to receive Team Commissions, you must have at least 1 Personally Sponsored and Active Associate on both your Right and Left Teams.

4. If I am a Pro Associate, does it allow me to receive increased Sales Volume from Product Sales within my organization? Yes.

Pro Associates will earn full Sales Volume on all Product Sales within their organization:

- Starter (50 SV)
- Executive (100 SV)
- Elite (300 SV)
- Pro Pak (600 SV)

Elite Associates will earn the following Sales Volume on all Product Sales within their organization:

- Starter (50 SV)
- Executive (100 SV)
- Elite (300 SV)
- Pro Pak (300 SV)

Executive Associates will earn the following Sales Volume on all Product Sales within their organization:

- Starter (50 SV)
- Executive (100 SV)
- Elite (100 SV)
- Pro Pak (100 SV)

Starter Associates will earn the following Sales Volume on all Product Sales within their organization:

- Starter (50 SV)
- Executive (50 SV)
- Elite (50 SV)
- Pro Pak (50 SV)

5. Do I have a cap on my weekly earning potential?

Starter Associates may earn a maximum of \$500 USD per week in Team Commissions. Executive Associates may earn a maximum of \$1,000 USD per week in Team Commissions. Elite Associates may earn a maximum of \$25,000 USD per week in Team Commissions. Pro Pak Associates may earn a maximum of \$50,000 USD per week in Team Commissions. There is no limit on Fast Start Bonuses, Matching Bonuses and the Leadership Pool.

6. If I go Inactive, what will happen to my Sales Volume?

After 30 days of Inactivity, all accumulated Sales Volume will be reset to Zero. Lost Sales Volume is not retained; however, you can reactivate by Personally generating a minimum of 10 Personal Sales Volume and maintaining it on a Monthly basis. After 90 days of Inactivity, your Associate Status will be terminated and your Account will be closed.

7. When are the Advancement Rank Bonuses earned?

The Bonuses are earned when you achieve the specified rank for the first time and maintain that Rank for two consecutive weeks. All Advancement Rank Bonuses are paid out on the 15th of the following month.

8. Can I earn all 4 Advancement Rank Bonuses in a 2-week period?

No. In order to receive an Advancement Rank Bonus, you must maintain a specific Rank for 2 consecutive weeks. Therefore, in order to Qualify for all 4 Advancement Rank Bonuses, it would take a minimum of 8 weeks.

9. How do I earn the Leadership Pool Bonus?

In order to qualify for the Leadership Pool Bonus, you must meet Rank Sales volume requirements all 4 weeks of the month.

FAQ

Leadership Pool Commissions will be paid on the 20th of the month following the month in which they were earned.

10. How many shares of the Leadership Pool can one Associate earn?

One individual Associate can earn a maximum of 25% of the Leadership Pool. For example, if the total Leadership Pool is \$10,000 USD and there is only one Qualified Associate, that Associate is eligible for a total of \$2,500 USD. If there are four or more Qualified Associates, they would equally share the total Leadership Pool amount. In other words, 10 Qualified Associates will each earn \$1,000 USD.

11. What are the differences between Commission Rank and Recognition Rank?

Commission Rank is the Rank at which you are paid and is determined by meeting the Sales Volume and other Compensation Plan requirements in any Commission Week. This can vary from your Recognition Rank, which is the highest Rank at which you have ever been paid.

12. Can I have more than one Business Center?

When you reach the rank of Diamond for the first time, two new complimentary Business Centers, one on both the Left and Right legs, will be placed front line to your original Business Center. The new Business Centers will begin collecting new Sales Volume (SV) from the activation date.

13. Is there a processing fee for Commissions earned?

Please note, a fee of \$0.30 USD is deducted

each time a Commission is loaded into your E-Wallet account.

14. Is a Product purchase required to become a Talk Fusion Independent Associate?

A Product purchase is not necessary to become an Independent Associate and participate in the Compensation Plan.

15. Do all countries pay a monthly subscription fee?

Yes. All Associates—who purchase a Product—and Customers in all countries pay a monthly subscription fee. This allows all Associates, no matter where they live, to qualify and earn Residual Income. All Associates must personally generate a minimum of 10 Personal Sales Volume (PSV) on a monthly basis to maintain an Active status.

16. Is there a way I can save on my monthly subscription fee?

Yes. Associates and Customers may choose a Pre-Paid/Paid-in-Full annual payment option and save 10% on the monthly subscription cost. The Pre-Paid/Paid-in-Full annual payment may not be canceled or refunded, unless purchased along with a Product Package and canceled within the first 3 days.



Mercedes
M A D N E S S

FAQ



1. How can I qualify?

You must maintain the rank of 3 Star or higher for four consecutive weeks in order to receive the \$600 USD Mercedes Madness Car Bonus.

2. Which Mercedes can I get?

You can purchase or lease a Silver Mercedes C Class or above. Used vehicles should not be more than 4 years old and must have less than 60,000 miles and no visible damage beyond normal wear.

3. What if I'm not ready to receive a brand-new Mercedes at this time?

You can choose a \$300 USD cash bonus in lieu of the car bonus for each 4 consecutive week period that you qualify.

4. What do I need to send to the Talk Fusion Corporate Office in order to receive my Mercedes Madness Bonus?

You must send in your Testimonial, signed Acknowledgements & Responsibilities Form and a hi-res image of you with your brand-new Mercedes branded with the official graphics provided by Talk Fusion. Bonuses will be paid a month from the first Monday following qualification.

5. Is the Mercedes Madness Bonus available in all countries in which Talk Fusion operates?

Yes! Any Associate, anywhere in the world, can qualify to drive a Mercedes-Benz on us!



A PERSONAL MESSAGE FROM FOUNDER & CEO BOB REINA

“Hard Work Required Here”

People often ask me what is the “key” to success in Direct Selling, but there is no “exact formula.” I know desire, sacrifice and hard work over time are absolute requirements, but even these elements don’t constitute a guarantee.

When I began my career in Direct Selling over 20 years ago, I was working full-time as a policeman. I put in long hours on the phone and in meetings on top of the 40-plus weekly hours of my “day job,” building a Customer base, signing up new Associates and eventually teaching those Associates what I’d learned. I made a lot of mistakes, and there were many, many months when my phone bill was larger than my commission check. I stuck with it, though, sacrificing valuable “free time” because I saw the potential in earning income from a team’s work rather than just my own. But at the same time, I understood that Direct Selling was really just an opportunity—what I got out of it depended on the dedication and “sweat equity” I put into it.

That’s very important to remember if you are considering joining Talk Fusion as an Independent Associate: while the possibility of earning supplemental income exists, what you get out of your Talk Fusion business depends entirely upon successful sales efforts, which require hard work, diligence and leadership, and how well you exercise these qualities. It also takes time to learn to be your own boss, train your team and build the proper infrastructure.

Direct Selling is a 2 to 5-year plan; you will not be able to retire in 4-6 months. You must work the business for **AT LEAST** 1 year to even reach a good evaluation point from which you can really measure your progress, but I honestly believe that if you follow the system and consistently dedicate 7-10 hours per week for a year, you will be at a place where you won’t want to stop. But you must be willing to dedicate yourself, and sacrifice your own “comfort time” and other activities in exchange for the opportunity to earn additional income.

No Income Is Promised

In my opinion, no company should ever make get-rich-quick claims. Unfortunately, some companies in the Direct Selling industry imply that potential Associates can make a full-time income, or in some cases a lot more, with very little work. This is one of the reasons why so many people new to the industry become disenchanted and quit.

The reality, however, is that in Direct Selling, most Associates do not receive “substantial income,” and a majority receives no income at all. This is true of Talk Fusion as well. Some join a company just to get the product at a discount, and many join to get the product at a discount and make a small side income. A very small percentage of Associates earn what most people consider a “full-time” income, and just like in any other industry, the “top earners” are the rare minority. We tell you this because, unlike some companies, we want you to be fully informed and consider ourselves to be a refreshingly honest voice within the industry.

A PERSONAL MESSAGE FROM FOUNDER & CEO BOB REINA

Why?

At Talk Fusion, our core leadership of Associates fully understands that in order to be successful, it takes a sacrifice that is difficult to put into words. And it is up to you to decide to make that sacrifice. We do everything possible to provide you with everything you need to be successful, from world-class products available at an incredible value to paying commissions instantly and providing unbeatable customer service and training. But you have to want to be successful on your own terms. If you decide to watch TV rather than attend a training call, or go shopping instead of logging into a Live Broadcast or following up with a prospect, we will not know. We would like for you to take advantage of everything Talk Fusion provides, but we cannot want your success more than you want it for yourself.

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Conclusion

When you succeed, we succeed, so of course we want you to be as successful as possible. The rest is just "sweat equity." But that's one thing we can't do for you. You must be willing to commit at the level needed to achieve your desire.

The truth is that most people are simply not willing to make the necessary combination of sacrifices that facilitate the results they want. The individuals who achieve remarkable success with Talk Fusion or other Direct Selling companies understand that it is a business that requires a commitment over a period of years as well as the dedication to putting in the kind and amount of work necessary.

My hope is that you'll view Direct Selling as the professional career it has become. Unlike other industries, Direct Selling offers you the opportunity to nurture and empower your inherent talents, as well as those of your entire team. In this business, success means the chance to develop intellectually, emotionally and financially while you contribute in a positive way to the lives of others.

Ex. 23

WORLD'S FIRST INSTANT PAY COMPENSATION PLAN

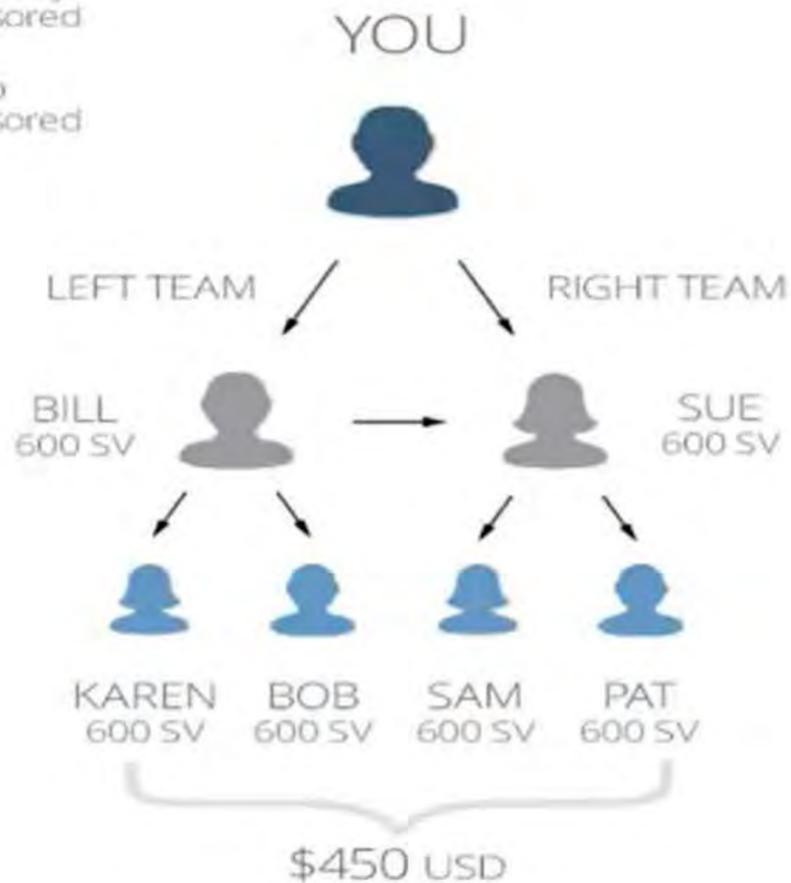
7 WAYS TO EARN

- ✓ Fast Start Bonuses
- ✓ Team Commissions
- ✓ Bronze Maker Bonuses
- ✓ Mega-Matching Bonuses
- ✓ Leadership Pool
- ✓ Residual Income
- ✓ Rank Achievement Rewards



Select all
Inspect element
View source

- Personally Sponsored
- Group Sponsored



FAST START BONUS

\$20 - \$120 USD

TEAM COMMISSIONS

Left Team: 1800 SV
 Right Team: 1800 SV
 = \$450 USD

- Get paid to unlimited levels
- Non-flushing Binary
- No group volume requirements

MEGA-MATCHING BONUS

Earn an additional 10% of the Team Commissions of your Personally Sponsored Associates.

RESIDUAL INCOME

Every time you have 5 team monthly subscriptions left & right you will earn \$25 USD

Commissions based on Pro Pak sales.

The earnings portrayed in this presentation are not necessarily representative of the income, if any, that a Talk Fusion Associate can or will earn through his or her participation in the Talk Fusion Compensation Plan. These figures should not be considered as a guarantee or projection of your actual earnings or profits. Any representation or guarantee of earnings would be misleading. Success with Talk Fusion results only from successful sales efforts, which require hard work, diligence and leadership. Your success will depend on how effectively you overcome these qualities. The purchase of a Talk Fusion Product Package is a voluntary action and is not required for an Associate or participant in the Talk Fusion Compensation Plan. NOTE: A product purchase is not mandatory in order to participate in the Talk Fusion Compensation Plan.



Ex. 24

GETTING STARTED

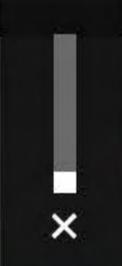


SIMPLE AS...

- ✓ Join as an Independent Associate (\$30 USD)
- ✓ Pick a Product Package
- ✓ Go Bronze - Get 2 in 72, Then Become A Bronze Maker
- ✓ Commit to the Business—Work 7-10 Hours a Week for One Year
- ✓ Plug Into Our Support System. Be a Product of the Product—Become Your Own Best Customer

To see how simple this is, watch **Diamond Rush Fast Track Training**—coming up next!

Ex. 25



HIGHEST
EFFICIENCY
STAINLESS



A-RATING
BBB

Ex. 26

Complaint

Joined Talk Fusion, purchased the \$250.00 package and paid \$35.00 monthly fee. Had an issue, got no support, no refund, no product.

Purchased as a distributor for \$30.00 on May 30, 2013. Then in July 3 purchased a package. I noticed my header disappeared and I contacted my website support. After their evaluation they informed me it was the Talk Fusion E-Subscription form HTML which was interfering with the displaying of the header. It took until July 16th to discovered the E-Subscription form interfered with the header on my website. Only July 16th I contacted Talk Fusion for support and was told that their code was correct and that was that. It was not their problem. Then I asked for a refund because of the lack of support and was told no refund after 3 days.

I had taken the time to add Talk Fusion's E-Subscription form to all the pages on my website, so I decided to just remove my header.

Today, I removed Talk Fusion E-Subscription form, yes, because I do not have the \$35.00 to pay monthly after all. I have been informed that without paying the \$35.00 monthly fee I can not receive any commissions.

When I joined for \$30.00 as a distributor I was able to sell the product and earn commissions. Now that I purchased a \$250.00 package (which I now longer have access to). I cannot even earn any income. I have written content for the product into my website pages.

My complaint is I paid a total of \$315.00 (\$30.00 distributor fee, \$250 Executive Package, \$35.00 monthly fee) Plus invested time for marketing the product. Now I have nothing to show for this, plus I can not even earn commissions as a distributor.

I would really just like a total refund. I have not used the products, I have nothing for the money I spent. Is this really legally okay to spend money on a product, but have no product at all?

Desired Settlement

I would like a full refund of \$315.00

Business Response

Please note that on this date, we received a "Complaint Activity Report" pursuant to the purchase(s) made by *****

Amount: \$30 -Associate Fee Payment

Transaction Date: May 30, 2013

Amount: \$285 - Executive Product Purchase

Transaction Date: July 1. 2013

Please note that it is the official position of Talk Fusion that these purchases are 100% valid for the following reasons:

Ms. ***** joined Talk Fusion as an associate on May 30, 2013 online from the Talk Fusion website, www.talkfusion.com Exhibit #1 is the Talk Fusion Agreement.

Ms. ***** purchased the product on July 1, 2013, which was immediately provided to her.

At NO TIME did Ms. ***** contact Talk Fusion in an attempt to resolve any concerns in reference to the product.

At NO TIME did Ms. ***** request to close this account within the allotted 3-day time frame. In fact, the first written correspondence we have from Ms. ***** is dated July 16, 2013. This correspondence is a cancellation request. This request is clearly outside the refund eligibility timeframe. Pursuant to this request, Ms. *****' monthly access fee was cancelled. At that time, product access was no longer available, per the cancellation terms of the Agreement.

Ms. ***** contradicts herself within the content of her complaint. First she states she did use the Talk Fusion product and later goes on to state that she would like a refund because she did NOT use the product. We will provide evidence supporting the fact that Ms. ***** did in fact, use the Talk Fusion product she purchased.

Ms. ***** indicates in her complaint that she was informed by her 3rd party website support that the Talk Fusion E-Subscription form HTML was interfering with the displaying of the header of her 3rd party website. When a person posts an E-Subscription Form on a 3rd party website, which is not controlled by Talk Fusion, we cannot control the code/performance on that site. We are happy to try to help you but we do not control the code on the 3rd party site; hence we cannot control the outcome on the 3rd party website.

Ms. ***** claims in her complaint that she is no longer eligible to participate in the Talk Fusion compensation plan. This is factually baseless. Per the Talk Fusion compensation plan, the guidelines to be eligible to receive commissions are:

You Personally generate a minimum one-time 100 Personal Sales Volume (PSV) and maintain a minimum of 20 Personal Sales Volume (PSV) on a monthly basis to maintain an Active status.

Pursuant to the compensation plan, Ms. ***** IS, in fact, eligible to receive commissions if she meets the above criteria.

Pursuant to the Electronic Commerce Merchant Refund Policy Disclosure, Ms. ***** was provided with the "Proper Disclosure of the Refund Policy and the Recurring Transaction Policy" during the order process. These Disclosures are clearly posted on the same page as the "I Agree" Click through process within the sequence of Web pages accessed by Ms. ***** before the final checkout.

For ease of reference, the Refund Policy on the original purchase is as follows:

If any Independent Associate or Customer is unsatisfied with any product purchase for personal use, Talk Fusion offers a 100% three (3) day money-back guarantee. Please note that shipping charges and sales tax are not refundable. Returns in excess of the purchase price of \$250 will be deemed inventory returns and will be handled in accordance to section 7.2 of the Policies and Procedures titled - Return of Sales Aid by Associates UPON Cancellation. Returns in excess of the purchase price of \$250 shall also constitute on Associate's voluntary request to cancel. In the Russian Federation, there are no refunds after product purchase.

**Please note Exhibit #1A is an enlarged version of Exhibit- #1- We enlarged it for easier reading.

The customer agreed to the aforementioned purchase conditions on July 1, 2013. Hence, the refund eligibility period on the original purchase expired on July 4, 2013.

Exhibit #2 is the enclosed Time and Date Stamped Merchant Receipt.

Exhibit #3 is the information that Ms. ***** supplied to Talk Fusion at the time of registration. Please note Ms. ***** logged into the account as recently as August 5, 2013 at 3:58 p.m. which is more than ONE (1) MONTH AFTER the original purchase was made. This clearly PROVES, beyond any doubt, that Ms. ***** accessed this product. Thus the statement that Ms. ***** did not use the product is factually baseless.

Exhibit #4 is a copy of the invoice sent to Ms. ***** upon completion of the transaction electronically via e-mail. All invoices are also stored in Ms. ***** account for future reference.

Exhibit #5 is a variety of screen shots taken for Ms. *****' account outlining the use of the product.

This clearly proves that the Talk Fusion product works as described and is not defective in any way. Please note, we have provided the following:

- A copy of Ms. *****' address book where all of the contact email addresses are stored.
- A copy of Ms. *****' Video Library where all of the videos Ms. ***** successfully saved to this account are saved.
- A copy of the report of video emails Ms. ***** successfully sent from this Talk Fusion account.
- Copies of video emails Ms. ***** successfully sent from this Talk Fusion account.
- A copy of the E-Subscription form Ms. ***** created from within her Talk Fusion account.
- A copy of the Subscriber report that outlines the contacts Ms. ***** successfully logged from her E-Subscription form on her own website.

Exhibit #6 is copies of all the email correspondence between Ms. ***** and Talk Fusion as of the writing of this letter. Please note, at NO TIME did Ms. ***** request assistance with her product. From her very first email the only request was for a refund, which she has been advised on multiple occasions, is not due.

In closing, Talk Fusion has proven the purchase is valid. Ms. ***** was provided proper disclosure and acknowledged the Refund Policy BEFORE the purchase was made.

1. Ms. ***** immediately received the product that was purchased.
2. At NO TIME did Ms. ***** contact Talk Fusion in an attempt to resolve any concerns in reference to the product.
3. At NO TIME did Ms. ***** request to close this account within the allotted 3-day time frame.
4. Ms. ***** claims in her complaint that she is no longer eligible to participate in the Talk Fusion compensation plan. This is factually baseless.
5. Ms. ***** derived benefit of the product and logged into this Talk Fusion account up to and including August 5, 2013.

If you have any questions, please contact us at (XXX) XXX-XXXX or *****@talkfusion.com

- See more at: <http://www.bbb.org/west-florida/business-reviews/video-conferencing-services/talk-fusion-in-brandon-fl-90033972/complaints#sthash.JCLOZWzZ.dpuf>

Complaint

MISLEADING AND MISREPRESENTING BUSINESS OPORTUNITY SPECIFICALLY IN OTHER LANGUAGES, NOT ENGLISH SPEAKING PEOPLE,OR INDIVIDUALS WITH LIMITED ENGLISH.

I SIGNED IN TO THE PRODUCT AND BUSINESS OPORTUNITY ON 4/7/13, I WAS RUSHED TO SIGN IN BY THE REPRESENTATIVE, HE DID NOT LET ME READ A CANCELTION POLICY, HE EVEN WAS FORCING ME TO BUY MORE EXPENSIVE PACKAGE. HE TOLD I WILL RECEIVE E-MAIL WITH DETILES ABOUT CANCELATION POLICY. I DID NOT RECEIVE ANY E-MAILS,NOR PRODUCT PACKAGE.

MY ACCOUNT # WAS XXXXXX. I CANCEL THE SERVICE, MONTHLY FEES, BUT WAS TOLD I AM NOT ENTITLED FOR \$315 REFUND BECAUSE THERE IS 3 DAYS CANCELATION POLICY. HOW COULD I KNOW THAT, IF THE REPRESENTATIVE DID NOT TELL ME THAT, AND I DID NOT HAVE ANY INFORMATION ABOUT IT.

THIS MISREPRESENTAION GOES THROUGH INTERNATIONAL COMUNITIES, BECAUSE IT IS EASY TO MISLEAD PEOPLE WHO HAVE LIMITED ENGLISH, AND LIMITED BUSINESS KNOWLEDGE. I STRONGLY BELIEVE THERE IS A SCAM GOING WITH THIS COMPANY

Desired Settlement

I AM SEEKING REFUND IN THE AMOUNT \$315 AND CANCELATION OF MONTHLY \$35 RECURRING FEES.

Business' Initial Response

Please note that on this date, we received a "Complaint Activity Report" pursuant to the purchase(s) made by **** *.

Amount: \$315 - Original Purchase
Transaction Date: April 7, 2013

Talk Fusion Response: The purchase is valid for the following reasons:

- Ms. ***** purchased the product on April 7, 2013 online from the Talk Fusion website, www.talkfusion.com. Exhibit #1 is the Talk Fusion Agreement.
- At NO TIME did Ms. ***** request to close this account within the allotted 3-day time frame. In fact, Ms. ***** did not submit her cancellation request until April 30, 2013 which is AFTER the refund eligibility timeframe had expired.
- The agreement was executed with Talk Fusion directly and all Policies and Procedures were provided prior to the completion of the agreement.
- Talk Fusion rejects the allegation that Ms. ***** was rushed through the application process.
- During the application process, Ms. ***** confirmed that she had read and agreed to all the Talk Fusion Policies and Procedures in accordance with the Visa and MasterCard e-commerce requirements.
- The Talk Fusion Website and all related Policies and Procedures are presented in Russian, to ensure all users in this area are properly informed prior to making a purchase.
- Talk Fusion rejects the allegation that Ms. ***** was "forced" to "buy more expensive package: as Ms. ***** knowingly and willingly executed this agreement with Talk Fusion and was presented with four (4) purchase options. Of these options, Ms. ***** CHOSE to make a purchase in the amount of \$315.00 USD.

Pursuant to the Electronic Commerce Merchant Refund Policy Disclosure, Ms. ***** was provided with the "Proper Disclosure of the Refund Policy and the Recurring Transaction Policy" during the order process. These Disclosures are clearly posted on the same page as the "I Agree" Click through process within the sequence of Web pages accessed by Ms. ***** before the final checkout.

For ease of reference, the Refund Policy on the original purchase is as follows:

If any Independent Associate or Customer is unsatisfied with any product purchase for personal use, Talk Fusion offers a 100% three (3) day money-back guarantee. Please note that shipping charges and sales tax are not refundable. Returns in excess of the purchase price of \$250 will be deemed inventory returns and will be handled in accordance to section 7.2 of the Policies and Procedures titled - Return of Sales Aids by Associates Upon Cancellation. Returns in excess of the purchase price of \$250 shall also constitute on Associate's voluntary request to cancel.

"Please note Exhibit #1A is an enlarged version of Exhibit #1- We enlarged it for easier reading.

The customer agreed to the aforementioned purchase Conditions on April 7, 2013. Hence, the refund eligibility period on the original purchase expired on April 10, 2013.

Exhibit #2 is the enclosed Time and Date Stamped Merchant Receipt.

Exhibit #3 is the information that Ms. ***** supplied to Talk Fusion at the time of registration. Please note Ms. ***** logged into the account as recently as April 29, 2013 at 10:29 p.m. which is more than THREE (3) WEEKS AFTER the original purchase was made. This clearly PROVES, beyond any doubt, that Ms. ***** accessed this product well beyond the refund eligibility period.

Exhibit #4 is a copy of the invoice sent to Ms. ***** upon completion of the transaction electronically via e-mail. All invoices are also stored in Ms. *****'s account for future reference.

Exhibit #5 is a copy of the cancellation request submitted by Ms. ***** dated April 30, 2013 which is AFTER the refund eligibility timeframe had expired. We have also included the Talk Fusion response that indicates that all future billing has been cancelled, pursuant to the cancellation request.

In closing, Talk Fusion has proven the purchase is valid. Ms. ***** was provided proper disclosure and acknowledged the Refund Policy BEFORE the purchase was made.

1. Ms. ***** immediately received the product that was purchased.
2. At NO TIME did Ms. ***** request to close this account within the allotted 3-day time frame.
3. The agreement was executed with Talk Fusion directly and all Policies 8: Procedures were provided prior to the completion of the agreement.
4. During the application process, Ms. ***** confirmed that she had read and agreed to all the Talk Fusion Policies & Procedures in accordance with the Visa & MasterCard e-commerce requirements.
5. Ms. ***** derived benefit of the product and logged into this Talk Fusion account up to and including April 29, 2013.

Please note, this is the first and final response from Talk Fusion in reference to the matter.

Sincerely,

*** *****

CEO-Talk Fusion

Consumer's Final Response

(The consumer indicated he/she DID NOT accept the response from the business.)

I did not receive any service or product, second I was forced by representative ***** to sign the agreement without letting to read it.

Also it was represent to me as a business opportunity, and I was told I will receive a business kit with marketing materials and debit card to receive commissions, which I did not received. This company misleads people, especially with limited English, or technology knowledge. Talk Fusion is a scam, this company robs without a knife, or gun.

Business' Final Response

Please note that on this date, we received a "Complaint Activity Report" pursuant to the purchase(s) made by *****.

Amount: \$315 - Original Purchase

Transaction Date: April 7, 2013

Talk Fusion Response: The purchase is valid for the following reasons:

- Ms. ***** did, in fact, receive the exact products and services she purchased. Please note, we have included a record of every time Ms. ***** accessed her products and services, confirming they had been received.
- The "VCC Log-in Report" is a record of every time Ms. ***** accessed her Talk Fusion Video Communications Center, where the products are hosted.
- The "Back Office Log-in Report) is a record of every time Ms. ***** accessed her Talk Fusion business center where all the business tools (commissions, presentations, etc.) are managed from.
- The agreement was executed with Talk Fusion directly and all Policies & Procedures were provided prior to the completion of the agreement.
- Talk Fusion rejects the allegation that Ms. ***** was rushed through the application process.
- During the application process, Ms. ***** confirmed that she had read and agreed to all the Talk Fusion Policies in accordance with the Visa & MasterCard e-commerce requirements.
- The Talk Fusion Website and all related Policies Kt Procedures are presented in multiple languages, to ensure all users are properly informed prior to making a purchase.

In closing, Talk Fusion maintains the previous position whereby no refund is due Ms. ***** . Please note this is the final response from Talk Fusion in reference to this matter.

Sincerely,

*** *****

CEO-Talk Fusion

- See more at: <http://www.bbb.org/west-florida/business-reviews/video-conferencing-services/talk-fusion-in-brandon-fl-90033972/complaints#sthash.JCLOZWzZ.dpuf>

omplaint

The company refuses to refund the money I paid for the product.
May 22, 2013 around 9:00 pm (*****), I have a poster of the product was purchased for a total of 815 U.S. dollars. After a few days, I understand. that the product is not as good as it was said at the presentation. May 29, 2013 around 1:00 am in the morning (the *****), I wrote in support of the company (address *****), a letter requesting a refund. In the morning I saw that at 2 am I received a reply that the money can not be returned, because in accordance with the agreement I had obrattsya within 3 days. However, the agreement says that the refund is made within 3 days if the "otherwise provided for by law." According to Russian law, namely, "the RF Law" On Protection of Consumers' Rights (the law on the rights of the consumer) from 07.02.1992 N XXXX-X "Chapter 2, Article 26.1, subparagraph 4 -" The consumer has the right to reject the goods at any time before its transfer, and after transfer of the goods - seven days ". At the time of support calls 7 days have not yet passed, so I have the right to demand their money back. I sent the information to the help desk, but today (30 May 2013) of them did not receive any response. I ask for your help in the return of my money.

Desired Settlement

Honesty and fairness to customers

Business Response

Please note that on this date, we received a "Complaint Activity Report" pursuant to the purchase(s) made by *****.

Amount: \$815 - Original Purchase

Transaction Date: May 22, 2013

Talk Fusion Response: The purchase is valid for the following reasons:

- Mr. ***** purchased the product on May 22, 2013 online from the Talk Fusion website, ***** Exhibit #1 is the Talk Fusion Agreement.
- The Consumer Rights Protection Law, Article 26.1 only applies to sales to consumers. Consumers are defined as individuals who purchase the product for personal, family, and household use. The law excludes individuals who use the product for "entrepreneurial" activity. Essentially, this means purchase of the product for use for commercial purposes. See Russian Civil Code, Article 2 (definition of entrepreneurial activity). Absent this law, Russian law does not require a 'cooling off' period.
- Mr. ***** purchased the Elite level product package. This product package includes lead capture, live broadcasting, and presentation sharing. Talk Fusion has taken the obvious position that this person would not be purchasing such a product (as opposed to the basic product) solely for personal use, thus the Consumer Rights Protection Law, Article 26.1 does not apply.

Pursuant to the Electronic Commerce Merchant Refund Policy Disclosure, Mr. ***** was provided with the "Proper Disclosure of the Refund Policy and the Recurring Transaction Policy" during the order process. These Disclosures are clearly posted on the same page as the "I Agree" Click through process within the sequence of Web pages accessed by Mr. ***** before the final checkout.

For ease of reference, the Refund Policy on the original purchase is as follows:

If any Independent Associate or Customer is unsatisfied with any product purchase for personal use, Talk Fusion offers a 100% three (3) day money-back guarantee. Please note that shipping charges and sales tax are not refundable. Returns in excess of the purchase price of \$250 will be deemed inventory returns and will be handled in accordance to section 7.2 of the Policies and Procedures titled - Return of Sales Aids by Associates Upon Cancellation. Returns in excess of the purchase price of \$250 should also constitute an Associate's voluntary request to cancel. In the Russian Federation, there are no refunds after product purchase.

**Please note Exhibit #1A is an enlarged version of Exhibit #1- We enlarged it for easier reading.

Exhibit #2 is the enclosed Time and Date Stamped Merchant Receipt.

Exhibit #3 is the information that Mr. ***** supplied to Talk Fusion at the time of registration.

Identification of Cardholder At the time of purchase, Mr. ***** provided confidential information to Talk Fusion that would only be known to Mr. ***** -

Passport ***** XXXX XXXXXX

Date of Birth: October 25, 1987

Email: *****

IP Address: 1*****

Hence, Mr. *****'s identity is confirmed.

In closing, Talk Fusion has proven the purchase is valid. Mr. ***** was provided proper disclosure and acknowledged the refund policy and Recurring Transaction Policy BEFORE the purchase was made.

1. Mr. ***** immediately received the product that was purchased.
2. Mr. ***** purchased the Elite level product package. This product package includes lead capture, live broadcasting, and presentation sharing. Talk Fusion has taken the obvious position that this person would not be purchasing such a product (as opposed to the basic product) solely for personal use, thus the Consumer Rights Protection Law, Article 26.1 does not apply.
3. Mr. ***** derived benefit of the product and logged into this Talk Fusion account up to and including May 28, 2013.

If you have any questions, please contact us at (XXX) XXXXXXXX or *****

Sincerely,
*** *****

CEO-Talk Fusion

- See more at: <http://www.bbb.org/west-florida/business-reviews/video-conferencing-services/talk-fusion-in-brandon-fl-90033972/complaints#sthash.JCLQZWzZ.dpuf>

Ex. 27



Account and Payment Information

The billing information provided will be used for all accounting aspects of your Talk Fusion Global account.

Sponsor MJ Rich Media Corp (#1050724)
 Password

- Make your password more secure:**
- Use letters and numbers
 - Use special characters (e.g., \$)
 - No quotation marks
 - Mix lower and uppercase
 - Increase length (min 8 in total length)

Confirm Password

* Indicates A Required Field

* Country United States of America ▾

* First Name MJ Rich

* Last Name Media Corp 2

* Womens Maiden Name Le

* Date of Birth (mm/dd/yyyy)

* ID# (ID/SSN or FIDN) *

(Non-US Residents: Passport, Driver's License)

* US Residents: SSN FIDN
 (9 digit numerical ID only)

* Non-US: Passport Driver's License

* Company Name

(If applicable, please be prepared to submit all relevant corporate documents)

* Address Line 1 7518 SW Barnes Rd # A

Address Line 2

* City Portland

* State OR

* Zip Code 97225

* Resident Phone 503-475-1579

(CountryCode-xxx-xxx-xxxx)

* Work Phone

* Mobile Phone

(CountryCode-xxx-xxx-xxxx)

(CountryCode-xxx-xxx-xxxx)

* Email Address minhandjulie@gmail.com

* Confirm Email minhandjulie@gmail.com



In order to become a Talk Fusion Independent Associate, you must acknowledge that you have read, understand and agree to adhere to the following documents:



In order to become a Talk Fusion Independent Associate, you must acknowledge that you have read, understand and agree to adhere to the following documents:

Refund and Cancellation Policy

The Talk Fusion Refund Policy

If any Independent Associate or Customer is unsatisfied with an initial Video Communication Product Package purchase, Talk Fusion offers a 100% three (3) day money-back guarantee (unless otherwise required by law) from the date of purchase. Please note that \$30 USD one-time Independent Associate Cost, Product Package upgrades, wire transfer fees and sales and service taxes are non-refundable. Returns on the purchase price constitute a purchaser's voluntary request to cancel. All refunds will be processed within 7 business days. In the Russian Federation, there are no refunds after product purchase.

Cancellation

User also agrees that Talk Fusion, at its sole discretion, may remove and discard any content within Talk Fusion, for any reason or if Talk Fusion believes that user has violated or acted inconsistently with the letter or spirit of the Terms of Service. User agrees that any termination of his or her access to Talk Fusion under any provision of this Terms of Service may be effected without prior notice, and acknowledge and agree that Talk Fusion may immediately deactivate or delete his or her account and all related information and files in his or her account and/or bar any further access to such files. Further, user agrees that Talk Fusion shall not be liable to user or any third-party, for any termination of its access to Talk Fusion.

Cancellation of Monthly Recurring Service/Pre-Paid/Paid-in-Full Payment Option

Talk Fusion Products have a Monthly Recurring charge as specified on the Talk Fusion Agreement. Please note that Talk Fusion will automatically charge the monthly fee to the credit card or Talk Fusion Inbound Payment System eWallet Account used at the time of the original purchase. Associates and Customers may change their method of monthly payment to an alternate credit card, a PAYLUTION E-Wallet Account (Associates only) or Talk Fusion Inbound Payment System eWallet Account, via the Billing Center in their Video Communication Center.

User is required to give Talk Fusion a written notice at least 5 days prior to the monthly anniversary date to cancel account and avoid automated billing. All cancellation notices must be emailed to Support@TalkFusion.com or by submitting written notice by facsimile or certified mail to Talk Fusion. The Cancellation request must include the Talk Fusion 7 digit ID number of the account that is being canceled. If you are paying for more than one account on your credit card, you must list every individual account that you want canceled. Customer agrees that submitting a notice of cancellation by telephone is an unacceptable form of submitting notice of cancellation to Talk Fusion and that product charges may continue to apply until Talk Fusion has received the proper notice.

When your service is cancelled, access to your Video Communication Center will immediately be restricted. Please note that all of your stored videos and email addresses will be deleted from the Talk Fusion system. Any Video Emails that had been sent out before cancellation will be inactivated and will not be able to be viewed by their intended recipients.

PLEASE NOTE: Associates and Customers may choose a Pre-Paid/Paid-in-Full annual payment option and save 10% on the monthly subscription cost. The Pre-Paid/Paid-in-Full annual payment may not be canceled or the annual amount refunded, unless purchased along with a Product Package and canceled within the first 3 days.

- The Talk Fusion Policies & Procedures
- The Talk Fusion Terms & Conditions
- The Talk Fusion Compensation Plan
- The Talk Fusion Income Disclaimer
- The Talk Fusion Terms of Service
- The Talk Fusion Refund and Cancellation Policy

If you have not already done so, please click the above links to read and print the Policies and Procedures, Terms and Conditions, Compensation Plan, Income Disclaimer, Terms of Service and the Refund and Cancellation Policy.

IMPORTANT E-SIGN NOTICE - CONSENT TO ELECTRONIC RECORD

E-SIGN, the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001, et seq.), requires that you consent to entering into an electronic agreement with Talk Fusion before the agreement is executed. Please read the following information carefully.

To become a Talk Fusion Independent Associate, you must consent to the use of an electronic record and must read the Terms and Conditions of the Independent Associate Agreement, Talk Fusion's Policies and Procedures, and the Marketing and Compensation Plan from Talk Fusion's official web site at www.talkfusion.com, and electronically acknowledge that you have read these documents.

1. To access these documents and submit your online application, you will need the following hardware and software: A Personal Computer ("PC") with modem or other Internet access device and operational Internet browser software (e.g., Safari or Internet Explorer)
2. You may withdraw your consent to the use of electronic records at any time. However, should you do so, your Associate Agreement will be automatically terminated and you will lose all rights to any downline organization (including but not limited to any property rights you may have), and you will lose all rights to all remuneration under the Talk Fusion Compensation Plan. Should you wish to withdraw your consent to the exclusive use an electronic agreement (and thereby terminate your agreement with Talk Fusion), or update any of personal information, you must do so by emailing support@talkfusion.com.
3. You agree that Talk Fusion may amend the Policies and Procedures, and the Marketing and Compensation Plan at its sole discretion at any time. You may also access the version of these documents that were in effect at the time you executed your electronic agreement. Any outdated documents are archived in Talk Fusion's administrative backoffice. The most current version of the Terms and Conditions, the Policies and Procedures, and the Marketing and Compensation Plan are always available at Talk Fusion's official web site for viewing, printing and downloading at www.talkfusion.com.
4. Should there ever be a change in the equipment or software necessary to access the Terms and Conditions, Policies and Procedures, and the Marketing and Compensation Plan, Talk Fusion will advise you of the same and will provide you with a list of the equipment and software that is necessary. Upon such event, you may voluntarily terminate your agreement with Talk Fusion.
5. By clicking on "I AGREE" below, you consent to use of electronic records evidencing your Talk Fusion Independent Associate Agreement. If you click on the "I Decline" box, the enrollment process will be terminated and you will be returned to the Talk Fusion home page.

By checking "I Agree," you are indicating that you have read, understand and agree with the Terms of Service, the Refund & Cancellation Policy, Terms & Conditions, Policies & Procedures

I AGREE



CHOOSE YOUR PRODUCT PACKAGE

Associate - No Package

Subscription includes:

- Secures Position Placement in Organization
- Allows Back Office Access
- Carries No Sales Volume
- Associate Does NOT Accrue Sales Volume Until Active

Service	Cost
Associate - No Package	\$20.00 USD
Total	\$20.00 USD USD

PAY WITH CREDIT CARD

PAY WITH TALK FUSION INBOUND PAYMENT SYSTEM

Check here if Billing Information is the same

Cardholder Billing Information

(Cardholder Billing Information must match the details on file with your credit card company)

First Name:

Last Name:

Company Name:

Billing Phone:

Email:

Billing Address:

City:

State:

Postal Code:

Country:

Credit Card Number:

Expiration Date: (mmyy)

Credit Card Code (CVV):

Please click the purchase button only one time to prevent duplicate payments. Once the payment has been completed, you will receive a confirmation screen. Please note credit card payment is in US Dollars and your credit card statement will display a charge from Talk Fusion.



[Submit Payment Now](#)

Transaction Detail

[Refund](#) | [Charge Again](#): ([Auth](#) | [Sale](#)) | [Back](#) [Print Receipt](#) | [E-Mail Receipt](#)
Merchant: Talk Fusion, Inc. - (Brandon, FL)
Date/Time: 11/13/2012 3:38:42 AM EST
Transaction ID: 1742886979
Transaction Type: Card Settle
Status: Complete

Credit Card Information

CC Type:
Auth. Code: 05392Z

Billing Information

Shipping Information

Julie Campagna
 MJ Rich Media Corporation
 minhandjulie@gmail.com
 5034751579
 7518 SW Barnes Rd A
 Portland OR, 97225
 US

Order Information

Order ID: 2413864
Description: Video Email Product

Merchant Defined Fields

Member ID: 1088581
Product Group: talkfusion
Product ID: Package 0

Transaction History

Type	Status	Transaction Time	Amount
Card Sale	Success	11/13/2012 3:38:42 AM EST	20.00
	<i>Approved</i>		
Card Settle	Success	11/13/2012 8:25:16 PM EST	20.00
	<i>ACCEPTED</i>		

Ex. 28



POLICIES & PROCEDURES

Effective February 9, 2015

SECTION 1 – INTRODUCTION

1.1 – Policies and Compensation Plan Incorporated into Associate Agreement

These Policies and Procedures, in their present form and as amended at the sole discretion of Talk Fusion, Inc. and Talk Fusion India Private Limited (hereafter “Talk Fusion” or the “Company”), are incorporated into, and form an integral part of, the Talk Fusion Associate Agreement. Throughout these Policies and Procedures, when the term “Agreement” is used, it collectively refers to the Talk Fusion Associate Application and Agreement, these Policies and Procedures, the Talk Fusion Compensation Plan, Talk Fusion Terms of Service, and Talk Fusion Terms and Conditions. These documents are incorporated by reference into the Talk Fusion Associate Agreement (all in their current form and as amended by Talk Fusion). It is the responsibility of each Associate to read, understand, adhere to, and ensure that he or she is aware of and operating under the most current version of these Policies and Procedures. When sponsoring or enrolling a new Associate, it is the responsibility of the sponsoring Associate to ensure that the applicant is provided with, or has online access to, the most current version of these Policies and Procedures, the Talk Fusion Compensation Plan, Talk Fusion Terms of Service, and Talk Fusion Terms and Conditions prior to his or her execution of the Associate Agreement.

1.2 – Purpose of Policies

Talk Fusion is a direct sales company that markets its Products through Independent Associates. It is important to understand that your success and

the success of your fellow Associates depends on the integrity of the men and women who market our Products and Services. To clearly define the relationship that exists between Associates and Talk Fusion, and to explicitly set a standard for acceptable business conduct, Talk Fusion has established the Agreement.

Talk Fusion Associates are required to comply with all of the Terms and Conditions set forth in the Agreement which Talk Fusion may amend at its sole discretion from time to time, as well as all international, federal, state, and local laws governing their Talk Fusion business and their conduct. Because you may be unfamiliar with many of these standards of practice, it is very important that you read and abide by the Agreement. Please review the information in this manual carefully. It explains and governs the relationship between you, as an Independent Contractor and the Company. If you have any questions regarding any policy or rule, do not hesitate to seek an answer from anyone in your upline or Talk Fusion.

1.3 – Changes to the Agreement

Because international, federal, state, and local laws, as well as the business environment, periodically change, Talk Fusion reserves the right to amend the Agreement and its prices in its sole and absolute discretion. By accepting the terms of the Associate Agreement, an Associate agrees to abide by all amendments or modifications that Talk Fusion elects to make. Amendments shall be effective upon notice to all Associates that the Agreement has been modified. Notification of amendments shall be published in official Talk Fusion materials. The Company shall provide or make available to all Associates a complete copy of the amended provisions by one or more of the following methods: (1) posting on the Company's official web site; (2) electronic mail (e-mail) (3) inclusion in Company periodicals; (4) inclusion in Product orders or Bonus payments; or (5) special mailings. The continuation of an Associate's Talk Fusion business or an Associate's acceptance of Bonuses or Commissions constitutes acceptance of any and all amendments.

1.4 – Delays

Talk Fusion shall not be responsible for delays or failures in performance of its obligations when performance is made commercially impracticable due to circumstances beyond its reasonable control. This includes, without limitation, strikes, labor difficulties, riot, war, fire, death, curtailment of a party's source of supply, or government decrees or orders.

1.5 – Policies and Provisions Severable

If any provision of the Agreement, in its current form or as may be amended, is found to be invalid, or unenforceable for any reason, only the invalid portion(s) of the provision shall be severed and the remaining terms and provisions shall remain in full force and effect and shall be construed as if such invalid, or unenforceable provision never comprised a part of the Agreement.

1.6 – Waiver

The Company never gives up its right to insist on compliance with the Agreement and with the applicable laws governing the conduct of a business. No failure of Talk Fusion to exercise any right or power under the Agreement or to insist upon strict compliance by an Associate with any obligation or provision of the Agreement, and no custom or practice of the parties at variance with the terms of the Agreement, shall constitute a waiver of Talk Fusion's right to demand exact compliance with the Agreement. Waiver by Talk Fusion can be effectuated only in writing by an authorized officer of the Company. Talk Fusion's waiver of any particular breach by an Associate shall not affect or impair Talk Fusion's rights with respect to any subsequent breach, nor shall it affect in any way the rights or obligations of any other Associate. Nor shall any delay or omission by Talk Fusion to exercise any right arising from a breach affect or impair Talk Fusion's rights as to that or any subsequent breach.

The existence of any claim or cause of action of an Associate against Talk Fusion shall not constitute a defense to Talk Fusion's enforcement of any term or provision of the Agreement.

SECTION 2 – BECOMING AN ASSOCIATE

2.1 – Requirements to Become An Associate

To become a Talk Fusion Associate, each applicant must:

- Be of the age of majority in his or her country of residence;
- Have a valid Government's Identification Card (In India – please refer to list of additional required documentation that appears on the Registration Verification Form.);
- Pay a one-time, non-refundable \$39 USD Independent Associate Cost.
- Submit a properly completed Associate Application and Agreement to Talk Fusion.

2.2 – Product Purchases

Associates are not required to purchase Talk Fusion Products or Services to participate in the Compensation Plan. There is a \$39 USD one-time, non-refundable, Independent Associate Cost. This allows Associates to share Talk Fusion Products and Opportunity, plus participate in the World's First Instant Pay Compensation Plan. Includes real-time Back Office, real-time Tracking, Marketing Websites and more.

2.3 – Associate Benefits

Once an Associate Application and Agreement has been accepted by Talk Fusion, the benefits of the Compensation Plan and the Associate Agreement are available to the new Associate. These benefits include the right to:

Sell Talk Fusion Products and Services;
Participate in the Talk Fusion Compensation Plan (receive Bonuses and Commissions, if eligible);
Sponsor other individuals as Customers or Associates into the Talk Fusion business and thereby, build a marketing organization and progress through the Talk Fusion Compensation Plan;
Receive periodic Talk Fusion literature and other Talk Fusion communications;
Participate in Talk Fusion-sponsored support, service, training, motivational and recognition functions, upon payment of appropriate charges, if applicable; and
Participate in promotional and incentive contests and programs sponsored by Talk Fusion for its Associates.

2.4 – Term and Renewal of Your Talk Fusion Business

The term of the Associate Agreement is one year from the date of its acceptance by Talk Fusion. Recurring monthly storage plan fees apply in all countries and are defined herein.

2.5 – Recurring Monthly Storage Plan Fees or Pre-Paid/Paid-in-Full Payment Option for your Talk Fusion Business

All Associates, who purchase a Product, and Customers in all countries pay a basic monthly storage plan fee of at least \$35 USD (20 SV) for the Executive, Elite and Pro Pak.

PLEASE NOTE: Associates and Customers may choose a Pre-Paid/Paid-in-Full payment option and save up to 20% on the monthly storage plan cost. The Pre-Paid/Paid-in-Full payment option may not be cancelled or the amount refunded, unless purchased along with a Product Package and cancelled within the first 3 days.

SECTION 3 – OPERATING A TALK FUSION BUSINESS

3.1 – Adherence to the Talk Fusion Compensation Plan

Associates must adhere to the terms of the Talk Fusion Compensation Plan as set forth in official Talk Fusion literature. Associates shall not offer the Talk Fusion Opportunity through, or in combination with, any other system, program, or method of marketing other than that specifically set forth in official Talk Fusion literature. Associates shall not require or encourage other current or prospective Customers or Associates to participate in Talk Fusion in any manner that varies from the program as set forth in official Talk Fusion literature. Associates shall not require or encourage other current or prospective Customers or Associates to execute any agreement or contract other than official Talk Fusion agreements and contracts in order to become a Talk Fusion Associate. Similarly, Associates shall not require or encourage other current or prospective Customers or Associates to make any purchase

from, or payment to, any individual or other entity to participate in the Talk Fusion Compensation Plan other than those purchases or payments identified as recommended or required in official Talk Fusion literature.

3.2 – Advertising

3.2.1 – General

All Associates shall safeguard and promote the good reputation of Talk Fusion and its Products. The marketing and promotion of Talk Fusion, the Talk Fusion Opportunity, the Compensation Plan, and Talk Fusion Products and Services shall be consistent with the public interest, and must avoid all discourteous, deceptive, misleading, unethical or immoral conduct or practices.

To promote both the Products and Services, and the tremendous Opportunity Talk Fusion offers, Associates may only use the sales aids and support materials produced by Talk Fusion or materials that have received prior written approval from Talk Fusion's compliance department.

Talk Fusion Associates may not sell sales aids to other Talk Fusion Associates. Therefore, Associates who receive authorization from Talk Fusion to produce their own sales aids may make the sales aids available to other Associates free of charge, but may not sell such sales aids to any other Talk Fusion Associate.

3.2.2 – Associate Web Sites

If an Associate desires to utilize an Internet web page to promote his or her business, he or she may do so only through an official Talk Fusion replicated website.

3.2.3 – Domain Names

Associates may not use or attempt to register any of Talk Fusion's trade names, trademarks, service names, service marks, product names, the Company's name, or any derivative thereof, for any Internet domain name.

3.2.4 – Trademarks and Copyrights

Talk Fusion will not allow the use of its trade names, trademarks, designs, or symbols by any person, including Talk Fusion Associates, without its prior, written permission. Associates may not produce for sale or distribution any recorded Company events and speeches without written permission from Talk Fusion nor may Associates reproduce for sale or for personal use any recording of Company-produced audio or video tape presentations.

3.2.5 – Media and Media Inquiries

Associates must not attempt to respond to media inquiries regarding Talk Fusion, its Products or Services, or their independent Talk Fusion business.

All inquiries by any type of media: Exhibit 28: Page 6

All inquiries by any type of media must be immediately referred to Talk Fusion's Marketing Department. This policy is designed to assure that accurate and consistent information is provided to the public as well as a proper public image.

3.2.6 – Unsolicited Email

Talk Fusion does not permit Associates to send unsolicited commercial emails unless such emails strictly comply with applicable laws and regulations including, without limitation, the federal CAN SPAM Act. Any email sent by an Associate that promotes Talk Fusion, the Talk Fusion Opportunity, or Talk Fusion Products and Services must comply with the following:

There must be a functioning return email address to the sender.

There must be a notice in the email that advises the recipient that he or she may reply to the email, via the functioning return email address, to request that future email solicitations or correspondence not be sent to him or her (a functioning "opt-out" notice).

All recipients must have confirmed via a 2-stage verification process (double opt-in), that they wish to receive email from Associate

The email must clearly and conspicuously disclose that the message is an advertisement or solicitation.

The use of deceptive subject lines and/or false header information is prohibited.

All opt-out requests, whether received by email or regular mail, must be honored. If an Associate receives an opt-out request from a recipient of an email, the Associate must forward the opt-out request to the Company.

3.2.7 – Unsolicited Faxes

Except as provided in this section, Associates may not use or transmit unsolicited faxes or use an automatic telephone dialing system relative to the operation of their Talk Fusion businesses. The term "automatic telephone dialing system" means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers. The terms "unsolicited faxes" means the transmission via telephone facsimile or electronic mail, respectively, of any material or information advertising or promoting Talk Fusion, its Products, its Compensation Plan or any other aspect of the company which is transmitted to any person, except that these terms do not include a fax or e-mail: (a) to any person with that person's prior express invitation or permission; or (b) to any person with whom the Associate has an established business or personal relationship. The term "established business or personal relationship" means a prior or existing relationship formed by a voluntary two way communication between an Associate and a person, on the basis of: (a) an inquiry, application, purchase or transaction by the person regarding Products offered by such Associate; or (b) a personal or familial relationship, which relationship has not been previously terminated by either party.

3.3 – Bonus Buying Prohibited

Bonus buying is strictly and absolutely prohibited. “Bonus buying” includes: (a) the enrollment of individuals or entities without the knowledge of and/or execution of an Independent Associate Application and Agreement by such individuals or entities; (b) the fraudulent enrollment of an individual or entity as an Associate or Customer; (c) the enrollment or attempted enrollment of non-existent individuals or entities as Associates or Customers (“phantoms”); (d) Purchasing Talk Fusion services on behalf of another Associate or Customer, or under another Associate’s or Customer’s I.D. number, to qualify for Commissions or Bonuses; (e) purchasing excessive amounts of services that cannot reasonably be used (f) any other mechanism or artifice to qualify for rank advancement, incentives, prizes, Commissions or Bonuses that is not driven by bona fide Product or Service purchases by end-user consumers.

3.4 – Change of Sponsor

An Associate may legitimately change organizations only by voluntarily canceling his or her Talk Fusion business and remaining inactive (i.e., no purchases of Talk Fusion Products for resale, no sales of Talk Fusion Products, no sponsoring, no attendance at any Talk Fusion functions, participation in any other form of Associate activity, or operation of any other Talk Fusion business) for six (6) full calendar months. Following the six month period of inactivity, the former Associate may reapply under a new Sponsor.

3.5 – Unauthorized Claims and Actions

3.5.1 – Indemnification

An Associate is fully responsible for all of his or her verbal and written statements made regarding Talk Fusion Products, Services, and the Compensation Plan which are not expressly contained in official Talk Fusion materials. Associates agree to indemnify Talk Fusion and Talk Fusion’s directors, officers, employees, and agents, and hold them harmless from any and all liability including judgments, civil penalties, refunds, attorney fees, court costs, or lost business incurred by Talk Fusion as a result of the Associate’s unauthorized representations or actions. This provision shall survive the termination of the Associate Agreement.

3.5.2 – Income Claims

In their enthusiasm to enroll prospective Associates, some Associates are occasionally tempted to make income claims or earnings representations to demonstrate the inherent power of network marketing. This is counterproductive because new Associates may become disappointed very quickly if their results are not as extensive or as rapid as the results others have achieved. At Talk Fusion, we firmly believe that the Talk Fusion income potential is great enough to be highly attractive, without reporting the earnings of others.

Moreover, the Federal Trade Commission and several countries and states have laws or regulations that regulate or even prohibit certain types of income claims and testimonials made by persons engaged in network marketing. While Associates may believe it beneficial to disclose the earnings of themselves or others, such approaches have legal consequences that can negatively impact Talk Fusion as well as the Associate making the claim unless appropriate disclosures required by law are also made contemporaneously with the income claim or earnings representation. Because Talk Fusion Associates do not have the data necessary to comply with the legal requirements for making income claims, an Associate, when presenting or discussing the Talk Fusion Opportunity or Compensation Plan to a prospective Associate, may not make income projections, income claims, or disclose his or her Talk Fusion income (including the showing of bank statements, or tax records).

3.6 – Trade Shows, Expositions and Other Sales Forums

Associates may display and/or sell Talk Fusion Products or Services at trade shows and professional expositions. Before submitting a deposit to the event promoter, Associates must contact support@talkfusion.com in writing for conditional approval, as Talk Fusion's policy is to authorize only one Talk Fusion business per event. Final approval will be granted to the first Associate who submits an official advertisement of the event, a copy of the contract signed by both the Associate and the event official, and a receipt indicating that a deposit for the booth has been paid. Approval is given only for the event specified. Any requests to participate in future events must again be submitted to support@talkfusion.com. Talk Fusion further reserves the right to refuse authorization to participate at any function that it does not deem a suitable forum for the promotion of its Products, Services, or the Talk Fusion Opportunity. Approval will not be given for swap meets, garage sales, flea markets or farmer's markets as these events are not conducive to the professional image Talk Fusion wishes to portray.

3.7 – Conflicts of Interest

3.7.1 – Nonsolicitation

Talk Fusion Associates are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively "network marketing"). However, during the term of this Agreement, Associates may not directly or indirectly Recruit other Talk Fusion Associates or Customers for any other network marketing business. Following the cancellation of an Associate's Independent Associate Agreement, and for a period of six calendar months thereafter, with the exception of an Associate who is personally sponsored by the former Associate, a former Associate may not Recruit any Talk Fusion Associate or Customer for another network marketing business. Associates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted through the internet and telephone, an

and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Associates and Talk Fusion agree that this non-solicitation provision shall apply to all markets in which Talk Fusion conducts business.

3.7.2 – Sale of Competing Goods or Services

Associates must not sell, or attempt to sell, any competing non-Talk Fusion programs, Products or Services to Talk Fusion Customers or Associates. Any program, Product or Service in the same generic categories as Talk Fusion Products or Services is deemed to be competing, regardless of differences in cost, quality or other distinguishing factors.

3.7.3 – Associate Participation in Other Direct Selling Programs

If an Associate is engaged in other non-Talk Fusion direct selling programs, it is the responsibility of the Associate to ensure that his or her Talk Fusion business is operated entirely separate and apart from any other program. To this end, the following must be adhered to:

Associates shall not display Talk Fusion promotional material, sales aids, Products or Services with or in the same location as, any non-Talk Fusion promotional material or sales aids, Products or Services.

Associates shall not offer the Talk Fusion Opportunity, Products or Services to prospective or existing Customers or Associates in conjunction with any non-Talk Fusion program, Opportunity, Product or Service.

Associates may not offer any non-Talk Fusion opportunity, Products, Services or Opportunity at any Talk Fusion-related meeting, seminar or convention, or within two hours and a five mile radius of the Talk Fusion event. If the Talk Fusion meeting is held telephonically or on the internet, any non-Talk Fusion meeting must be at least two hours before or after the Talk Fusion meeting, and on a different conference telephone number or internet web address from the Talk Fusion meeting.

3.7.4 – Downline Activity (Genealogy) Reports

Downline Activity Reports are available for Associate access in their official Back Office. Associate access to their Downline Activity Reports is password protected. All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Talk Fusion. Downline Activity Reports are provided to Associates in strictest confidence and are made available to Associates for the sole purpose of assisting Associates in working with their respective Downline Organizations in the development of their Talk Fusion business. Associates should use their Downline Activity Reports to assist, motivate, and train their downline Associates. The Associate and Talk Fusion agree that, but for this agreement of confidentiality and nondisclosure, Talk Fusion would not provide Downline Activity Reports to the Associate. An Associate shall not, on his or her own behalf, or on behalf of any other person, partnership, association, exhibit 28 Page 10 or other entity:

Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;

Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;

Use the information to compete with Talk Fusion or for any purpose other than promoting his or her Talk Fusion business;

Recruit or solicit any Associate or Customer of Talk Fusion listed on any report, or in any manner attempt to influence or induce any Associate or Preferred Customer of Talk Fusion, to alter their business relationship with Talk Fusion; or

Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report. Upon demand by the Company, any current or former Associate will return the original and all copies of Downline Activity Reports to the Company.

3.8 – Targeting Other Direct Sellers

Talk Fusion does not condone Associates specifically or consciously targeting the sales force of another direct sales company to sell Talk Fusion Products or to become Associates for Talk Fusion, nor does Talk Fusion condone Associates solicitation or enticement of members of the sales force of another direct sales company to violate the terms of their contract with such other company. Should Associates engage in such activity, they bear the risk of being sued by the other direct sales company. If any lawsuit, arbitration or mediation is brought against an Associate alleging that he or she engaged in inappropriate recruiting activity of its sales force or customers, Talk Fusion will not pay any of Associate's defense costs or legal fees, nor will Talk Fusion indemnify the Associate for any judgment, award, or settlement.

3.9 – Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Customer or Associate Agreement on file with Talk Fusion, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship. The use of a spouse's or relative's name, trade names, DBAs, assumed names, corporations, partnerships, trusts, federal ID numbers, or fictitious ID numbers to circumvent this policy is prohibited. Associates shall not demean, discredit or defame other Talk Fusion Associates in an attempt to entice another Associate to become part of the first Associate's marketing organization. This policy shall not prohibit the transfer of a Talk Fusion business in accordance with Section 3.4.

If Cross Sponsoring is discovered, it must be brought to the Company's attention immediately. Talk Fusion may take disciplinary action against the Associate that changed organizations and/or those Associates who encouraged or participated in the Cross Sponsoring. Talk Fusion may also

move all or part of the offending Associate's downline to his or her original downline organization if the Company deems it equitable and feasible to do so. However, Talk Fusion is under no obligation to move the Cross Sponsored Associate's downline organization, and the ultimate disposition of the organization remains within the sole discretion of Talk Fusion. Associates waive all claims and causes of action against Talk Fusion arising from or relating to the disposition of the Cross Sponsored Associate's downline organization.

3.10 – Errors or Questions

If an Associate has questions about or believes any errors have been made regarding Commissions, Bonuses, Downline Activity Reports, or charges, the Associate must notify Talk Fusion in writing within 60 days of the date of the purported error or incident in question. Talk Fusion will not be responsible for any errors, omissions or problems not reported to the Company within 60 days.

3.11 – Governmental Approval or Endorsement

Neither international, federal nor state regulatory agencies or officials approve or endorse any direct selling or network marketing companies or programs. Therefore, Associates shall not represent or imply that Talk Fusion or its Compensation Plan have been "approved," "endorsed" or otherwise sanctioned by any government agency.

3.12 – Identification

All Associates are required to provide a Government's ID Number to Talk Fusion on the Associate Application and Agreement. Associates in India must also provide a PAN Identification Number. Upon enrollment, Talk Fusion will provide a unique Associate Identification Number to the Associate by which he or she will be identified. This number will be used to place orders, and track Commissions and Bonuses.

3.13 – Income Taxes

Each Associate is responsible for paying local, state, and federal taxes on any income generated as an Independent Associate. If a Talk Fusion business is tax exempt, the Federal tax identification number must be provided to Talk Fusion. Every year, Talk Fusion will provide an IRS Form 1099 MISC (Non-employee Compensation) earnings statement to each U.S. resident who: 1) Had earnings of over \$600 USD in the previous calendar year; or 2) Made purchases during the previous calendar year in excess of \$5,000 USD. With regards to payments of any kind, made by or paid to any Associates or entities in India, TDS shall be deducted at the prescribed rate.

3.14 – Independent Contractor Status

Associates are Independent Contractors, and are not purchasers of a franchise or a business opportunity. The agreement between Talk Fusion and

its Associates does not create an employer/employee relationship, agency, partnership, or joint venture between the Company and the Associate. Associates shall not be treated as an employee for his or her services or for Federal or State tax purposes. All Associates are responsible for paying local, state, and federal taxes due from all compensation earned as an Associate of the Company. The Associate has no authority (expressed or implied), to bind the Company to any obligation. Each Associate shall establish his or her own goals, hours, and methods of sale, so long as he or she complies with the terms of the Associate Agreement, these Policies and Procedures, and applicable laws.

The name of Talk Fusion and other names as may be adopted by Talk Fusion are proprietary trade names, trademarks and service marks of Talk Fusion. As such, these marks are of great value to Talk Fusion and are supplied to Associates for their use only in an expressly authorized manner. Use of Talk Fusion name on any item not produced by the Company is prohibited except as follows:

Associate's Name

Independent Talk Fusion Associate

All Associates may list themselves as an "Independent Talk Fusion Associate" in the white or yellow pages of the telephone directory under their own name. No Associate may place telephone directory display ads using Talk Fusion's name or logo. Associates may not answer the telephone by saying "Talk Fusion", "Talk Fusion Incorporated", or in any other manner that would lead the caller to believe that he or she has reached corporate offices of Talk Fusion.

3.15 – Insurance

You may wish to arrange insurance coverage for your business. Your homeowner's insurance policy does not cover business-related injuries, or the theft of or damage to inventory or business equipment. Contact your insurance agent to make certain that your business property is protected. This can often be accomplished with a simple "Business Pursuit" endorsement attached to your present home owner's policy.

3.16 – Adherence to Laws and Ordinances

Associates shall comply with all international, federal, state, and local laws and regulations in the conduct of their businesses. Many cities, counties and countries have laws regulating certain home-based businesses. In most cases these ordinances are not applicable to Associates because of the nature of their business. However, Associates must obey those laws that do apply to them. If a city or county official tells an Associate that an ordinance applies to him or her, the Associate shall be polite and cooperative, and immediately send a copy of the ordinance to the Compliance Department of Talk Fusion. In most cases there are exceptions to the ordinance that may apply to Talk Fusion Associates.

Because of critical legal and tax considerations, Talk Fusion must limit the sale of its Products and the presentation of our business Opportunity to prospective customers and Associates within jurisdictions where such activities may be lawfully undertaken. Accordingly you may not sell or market the Talk Fusion Product or promote the business Opportunity in countries or territories that have not been officially opened by Talk Fusion. You may contact support@talkfusion.com if you have questions about which countries you may sell in.

3.17 – Minors

A person who is recognized as a minor in his/her country of residence may not be a Talk Fusion Associate. Associates shall not enroll or recruit minors into the Talk Fusion program.

3.18 – Actions of Household Members or Affiliated Individuals

If any member of an Associate's immediate household engages in any activity which, if performed by the Associate, would violate any provision of the Agreement, such activity will be deemed a violation by the Associate and Talk Fusion may take disciplinary action pursuant to the Statement of Policies and Procedures against the Associate. Similarly, if any individual associated in any way with a corporation, partnership, trust or other entity (collectively "affiliated individual") violates the Agreement, such action(s) will be deemed a violation by the entity, and Talk Fusion may take disciplinary action against the entity.

3.19 – Sale, Transfer or Assignment of Talk Fusion Business

Although a Talk Fusion business is a privately owned, independently operated business, the sale, transfer or assignment of a Talk Fusion business is subject to certain limitations. If an Associate wishes to sell his or her Talk Fusion business, the following criteria must be met:

Protection of the existing line of sponsorship must always be maintained so that the Talk Fusion business continues to be operated in that line of sponsorship.

The buyer or transferee must become a qualified Talk Fusion Associate. If the buyer is an active Talk Fusion Associate, he or she must first terminate his or her Talk Fusion business and wait six calendar months before acquiring any interest in the new Talk Fusion business.

Before the sale, transfer or assignment can be finalized and approved by Talk Fusion, any debt obligations the selling Associate has with Talk Fusion must be satisfied.

The selling Associate must be in good standing and not in violation of any of the terms of the Agreement in order to be eligible to sell, transfer or assign a Talk Fusion business.

Prior to selling a Talk Fusion business, the selling Associate must notify Talk Fusion's Marketing Department of his or her intent to sell the Talk Fusion business. No changes in line of sponsorship can result from the sale or

transfer of a Talk Fusion business. An Associate may not sell, transfer or assign individual business centers; if a business is sold, transferred or assigned, all business centers must be included in the transaction.

3.20 – Separation of a Talk Fusion Business

Talk Fusion Associates sometimes operate their Talk Fusion businesses as husband-wife partnerships, regular partnerships, corporations, or trusts. At such time as a marriage may end in divorce or a corporation, partnership or trust (the latter three entities are collectively referred to herein as “entities”) may dissolve, arrangements must be made to assure that any separation or division of the business is accomplished so as not to adversely affect the interests and income of other businesses up or down the line of sponsorship. If the separating parties fail to provide for the best interests of other Associates and the Company in a timely fashion, Talk Fusion will involuntarily terminate the Associate Agreement.

During the divorce or entity dissolution process, the parties must adopt one of the following methods of operation:

3.20.1 – One of the parties may, with consent of the other(s), operate the Talk Fusion business pursuant to an assignment in writing whereby the relinquishing spouse, shareholders, partners or trustees authorize Talk Fusion to deal directly and solely with the other spouse or non-relinquishing shareholder, partner or trustee.

3.20.2 – The parties may continue to operate the Talk Fusion business jointly on a “business-as-usual” basis, whereupon all compensation paid by Talk Fusion will be paid according to the status quo as it existed prior to the divorce filing or dissolution proceedings. This is the default procedure if the parties do not agree on the format set forth above.

Under no circumstances will the Downline Organization of divorcing spouses or a dissolving business entity be divided. Similarly, under no circumstances will Talk Fusion split Commissions between divorcing spouses or members of dissolving entities. Talk Fusion will recognize only one Downline Organization and will issue only one Commission per Talk Fusion business per Commission Cycle. Commissions shall always be issued to the same individual or entity. In the event that parties to a divorce or dissolution proceeding are unable to resolve a dispute over the disposition of Commissions and Ownership of the business in a timely fashion as determined by the Company, the Associate Agreement shall be involuntarily canceled.

If a former spouse has completely relinquished all rights in the original Talk Fusion business pursuant to a divorce, he or she is thereafter free to enroll under any sponsor of his or her choosing without waiting six calendar months. In the case of business entity dissolutions, the former partner, shareholder, member, or other entity affiliate who retains no interest in the business must wait six calendar months from the date of the final dissolution before re-enrolling as an Associate. ~~Exhibit 28 Page 15~~ However, the former

before enrolling as an Associate. In either case, however, the former spouse or business affiliate shall have no rights to any Associates in their former organization or to any former retail customer. They must develop the new business in the same manner as would any other new Associate.

3.21 – Sponsoring

All active Associates in good standing have the right to sponsor and enroll others into Talk Fusion. Each prospective Customer or Associate has the ultimate right to choose his or her own Sponsor. If two Associates claim to be the Sponsor of the same new Associate or Customer, the Company shall regard the first application received by the Company as controlling.

3.22 – Succession

Upon the death or incapacitation of an Associate, his or her business may be passed to his or her heirs. Appropriate legal documentation must be submitted to the Company to ensure the transfer is proper. Accordingly, an Associate should consult an attorney to assist him or her in the preparation of a will or other testamentary instrument. Whenever a Talk Fusion business is transferred by a will or other testamentary process, the beneficiary acquires the right to collect all Bonuses and Commissions of the deceased Associate's marketing organization provided the following qualifications are met. The successor(s)/nominee must:

Execute an Associate Agreement; Comply with terms and provisions of the Agreement; and Meet all of the qualifications for the deceased Associate's status. Bonus and Commission of a Talk Fusion business transferred pursuant to this section will be paid in a single transaction jointly to the devisees. The devisees must provide Talk Fusion with an "address of record" to which all

Bonus and Commissions will be sent; If the business is bequeathed to joint devisees, they must form a business entity and acquire any required Business Identification number. Talk Fusion will issue all Bonus and Commissions to the business entity.

3.22.1 – Transfer Upon Death of an Associate

To effect a testamentary transfer of a Talk Fusion business, the successor/nominee must provide the following to Talk Fusion: (1) an original death certificate; (2) a notarized copy of the will or other instrument

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Ex. 29



TERMS OF SERVICE

Effective January 14, 2015

PURPOSE OF SERVICE

Talk Fusion provides users with Video Communication Services (“Software and Services”) named “Talk Fusion”. Unless explicitly stated otherwise, any new features that enhance the current version of Talk Fusion, including the release of new features, shall be subject to the Terms of Service. User understands and agrees that Talk Fusion is provided “as-is” and that Talk Fusion assumes no responsibility for the failure to store any user communications or personalization settings.

USER OBLIGATIONS

In consideration of use of Talk Fusion, user agrees to: (a) provide true, accurate, current and complete information as required on the Customer Application and (b) maintain and promptly update the customer profile to keep it accurate, updated and complete. If user provides any information that is untrue, inaccurate, not current or incomplete, Talk Fusion has reasonable grounds to suspect that such information is untrue, inaccurate, not current or incomplete, Talk Fusion has the right to suspend or terminate user’s account and refuse any and all current or future use of the Talk Fusion product.

ACCOUNT MODIFICATIONS

If your profile needs to be updated, you may do so by logging into your Talk

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Fusion Account and electronically submitting the new data.

Any person who chose the Customer option in the initial Application process and wishes to become an Associate at a later time is required to pay the \$39 USD non-refundable, one-time Independent Associate Cost in order to be granted all rights, titles and privileges given to Talk Fusion Associates.

PASSWORDS

User is responsible for maintaining the confidentiality of the password and is fully responsible for all activities that occur under its account. Talk Fusion cannot and will not be liable for any loss or damage arising from user's failure to comply. You may change your password by logging into your Talk Fusion Account at any time.

CONDUCT

User acknowledges that Talk Fusion cannot possibly review all content before it is sent, but that Talk Fusion and its designees shall have the right (but not the obligation) in their sole discretion to refuse or move any content that is available via Talk Fusion. Specifically, this service is not to be used for any form of abusive, obscene, vulgar, slanderous, hateful, threatening, or sexually-oriented content, including any other material that may violate any applicable laws or be determined to be generally offensive by reasonable moral standards. User understands that all information, data, text, software, music, sound, photographs, graphics, video, messages or other materials ("Content"), whether publicly or privately transmitted, are the sole responsibility of the person from which such Content originated. This means that the user and not Talk Fusion, is entirely responsible for all content that the user emails, transmits or otherwise makes available via Talk Fusion. Talk Fusion does not control the content transmitted via Talk Fusion and, as such, does not guarantee the accuracy, integrity or quality of such content. Under no circumstances will Talk Fusion be liable in any way for any content, including, but not limited to, for any errors or omissions, or for any loss or damage of any kind incurred as a result of the use of any content, emailed, transmitted or otherwise made available via Talk Fusion.

User agrees to not use the Software and Service to: (I) email, transmit or otherwise make available any content that is unlawful, harmful, threatening, abusive, harassing, tortuous, defamatory, vulgar, obscene, libelous, invasive of another's privacy, hateful, or racially, ethnically or otherwise objectionable; (II) harm minors in any way; (III) Email, transmit or otherwise make available any unauthorized advertising, promotional materials, "junk mail," or "spam" (IV) impersonate any person or entity, including, but not limited to, a Talk Fusion employee, official, or falsely state or otherwise misrepresent its affiliation with a person or entity; (V) forge headers or otherwise manipulate identifiers in order to disguise the origin of any content transmitted through Talk Fusion; (VI) email, transmit or otherwise make available any material

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that contains software viruses or any other computer code, files or programs designed to interrupt, destroy or limit the functionality of any computer software or hardware or telecommunications equipment; (VII) email, transmit or otherwise make available any content that user does not have a right to make available under any law or under contractual or fiduciary relationships (such as inside information, proprietary and confidential information learned or disclosed as part of employment relationships or under nondisclosure agreements); (VIII) e-mail, transmit or otherwise make available any content that infringes any patent, trademark, trade secret, copyright or other proprietary rights ("Rights") of any party; (IX) "stalk" or otherwise harass another or collect or store personal data about other users; (X) interfere with or disrupt the Talk Fusion product or servers or networks connected to Talk Fusion, or disobey any requirements, procedures, policies or regulations of networks connected to Talk Fusion; (XI) intentionally or unintentionally violate any applicable local, state, national or international law, including, but not limited to, regulations set forth by the U.S. Securities and Exchange Commission, The Federal Communications Commission and any rules of any national or other securities exchange.

ZERO "SPAM" TOLERANCE

User may not utilize the service for submission, generation or inclusion of unsolicited bulk email or other forms of email abuse (i.e. SPAM). Failure to respond to a SPAM notice shall also constitute grounds for immediate termination of account.

INTERNATIONAL GUIDELINES

User agrees to comply with all local rules regarding online conduct and acceptable content. Specifically, user agrees to comply with all applicable laws regarding the transmission of technical data exported from the United States or the country in which it resides and/or originates.

INDEMNITY

User agrees to defend, indemnify and hold harmless Talk Fusion, and its officers, subsidiaries, affiliates, or other partners, and employees, harmless from any loss, damage, cost (including attorney's fees) claim or demand, made by any third party resulting from content it emails, transmits or makes available through Talk Fusion or violation of the Terms of Service.

OWNERSHIP, RESERVATION OF RIGHTS

Nothing in this Agreement shall be construed to grant user any rights, by license, title or otherwise, to any aspect of Talk Fusion's intellectual property. User acknowledges and agrees that Talk Fusion contains proprietary and

confidential information that is protected by applicable intellectual property and other laws. Except as expressly authorized by Talk Fusion, user agrees not to modify, rent, lease, loan, sell, distribute or create derivative works based on Talk Fusion, in whole or in part.

Talk Fusion grants user a business, non-transferable and non-exclusive right to use Talk Fusion on a single computer (unless multi-user license is purchased) and mobile device; provided that it does not (and does not allow any third party to) copy, modify, create a derivative work of, reverse engineer, reverse assemble or otherwise attempt to discover any source code, sell, assign, sublicense, grant a security interest in or otherwise transfer any right in Talk Fusion. User agrees not to modify Talk Fusion in any manner or form.

DISCLAIMER OF WARRANTIES

To the maximum extent of the law, Talk Fusion expressly disclaims all warranties of any kind, whether express or implied, including, but not limited to the implied warranties of merchantability, fitness for a particular purpose and non-infringement. Talk Fusion makes no warranty that Talk Fusion will meet its user's requirements, the service will be uninterrupted, timely, secure, or error-free, or that the results that may be obtained from the use of Talk Fusion and its service will be accurate or reliable. Any material downloaded or otherwise obtained through the use of the software and service is done at user's own discretion and risk and that user will be solely responsible for any damage to the user's computer system or mobile device, or loss of data that results from the download of any such material. User understands and agrees that his or her use of Talk Fusion and its service is at his or her sole risk. No advice or information, whether oral or written, obtained by the user from Talk Fusion or through or from the software and service shall create any warranty not expressly stated in the Terms of Service.

GENERAL PRACTICES

User agrees that Talk Fusion or third party consultants have no responsibility or liability for the deletion or failure to store any messages and other communications or other content maintained or transmitted by Talk Fusion. User further acknowledges that Talk Fusion reserves the right to change these general practices and limits at any time, in its sole discretion, with or without notice.

MODIFICATIONS TO SOFTWARE AND SERVICE

Talk Fusion reserves the right at any time to modify, temporarily or permanently, Talk Fusion with or without notice. User agrees that Talk Fusion shall not be liable to it or to any third party for any modification, suspension, conversions, upgrades or additions or discontinuance of Talk Fusion. Any

such revisions, modifications, conversions, upgrades or additions shall be owned exclusively by Talk Fusion and user shall have no right therein.

LIMITATION OF LIABILITY

User understands and agrees that in no event shall Talk Fusion be liable for any direct, indirect, incidental, special, consequential or exemplary damages, including but not limited to, damages for loss of profits, use, data, goodwill, or other intangible losses; even if Talk Fusion has been advised of the possibility of such damages, resulting from: the use or the inability to use Talk Fusion, the cost of procurement of substitute goods and services resulting from any goods, data, information or software and services purchased or obtained or messages received or transactions entered into through or from the software and service, unauthorized access to or alteration of its transmissions or data, statements or conduct of any third party on the software and service, or any other matter relating to the software and service.

DELIVERY

Talk Fusion has been accredited by Return Path, the world's largest and most respected Internet accreditation service. In order to qualify, Talk Fusion had to pass an extensive audit process in order to ensure that our Video Email sending practices and infrastructure adhere to industry best practices. As a result, Talk Fusion Customers receive significant delivery benefits to more than 5 million receiving email systems at partner ISPs, Fortune 1000 companies, educational institutions, government entities and small businesses worldwide. These benefits include more reliable inbox delivery and reduced likelihood that content will trigger a Spam filter. However, please note that Talk Fusion does not control the deliverability policies of every ISP and therefore does not guarantee that every video email you send will be delivered to the inbox of your intended recipient.

CANCELLATION

User also agrees that Talk Fusion, at its sole discretion, may remove and discard any content within Talk Fusion, for any reason or if Talk Fusion believes that user has violated or acted inconsistently with the letter or spirit of the Terms of Service. User agrees that any termination of his or her access

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Ex. 30



TERMS & CONDITIONS

Effective January 14, 2015

1. Applicant is required to read thoroughly and understand the Terms and Conditions, Statement of Policies and Procedures, and Terms of Service of the Company from the website named www.talkfusion.com. This application/agreement form is considered as an authentic and legally binding contract. This contract is between the Applicant (hereinafter also referred to as Associate) and Talk Fusion, Inc.

If the Applicant agrees to adhere to and abide by the conditions mentioned hereunder and in the website named www.talkfusion.com, he/she shall become an Associate upon payment of the prescribed \$39 USD one-time Independent Associate Cost/Video Communication Product Package* price to the Company and submission of Registration Verification Form and the outlined required Documents, if applicable.

*The purchase of a Talk Fusion Product Package is completely optional
Exhibit 30: Page 2

and is not required for an Associate to participate in the Talk Fusion Compensation Plan.

I understand that as a Talk Fusion Associate:

- a. I have the right to offer for sale Talk Fusion services in accordance with these Terms and Conditions.
 - b. I have the right to enroll persons in Talk Fusion.
 - c. Once Active and Qualified, I have the right to earn commissions pursuant to the Talk Fusion Compensation Plan.
2. The Applicant or Applicant's Guardian should have completed a minimum 18 years of age and shall be competent to enter into this Contract, as provided in the "Indian Contract Act", if applicable.
 3. If the Applicant is a Partnership Firm/Private Limited Company, then the Applicant has to provide all necessary Documents pertaining to the partnership, during the registration to become an Associate, including all relevant Partnership deeds and the relevant MOU.
 4. Associate agrees to present the Talk Fusion Compensation Plan and Talk Fusion Services, as set forth in official Talk Fusion literature.
 5. Associate agrees that as a Talk Fusion Associate, he or she is an independent contractor, and not an employee, partner, legal representative, or franchisee of Talk Fusion. Associate agrees that he or she will be solely responsible for paying all expenses incurred by him or her, including, but not limited to, travel, food, lodging, secretarial, office, long distance telephone and other expenses.
ASSOCIATE UNDERSTANDS THAT HE OR SHE SHALL NOT BE TREATED AS AN EMPLOYEE OF TALK FUSION FOR FEDERAL OR STATE TAX PURPOSES. Talk Fusion is not responsible for withholding, and shall not withhold or deduct from my bonuses and commissions, if any, FICA, or taxes of any kind in the U.S. With regards to payments of any kind, made by or paid to any Associates or entities in India, TDS shall be deducted at the prescribed rate. Associate cannot bind the Company, in any manner nor does he/she have any authority to bind the Company or to represent or speak on behalf of the Company.
 6. Associate has carefully read and agrees to comply with the Talk Fusion Statement of Policies and Procedures, the Talk Fusion Compensation Plan and the Talk Fusion Terms of Service, all of which are incorporated into and made a part of these Terms and Conditions

(these documents shall be collectively referred to as the "Agreement"). Associate understands that he or she must be in good standing, and not in violation of the Agreement, to be eligible for bonuses or commissions from Talk Fusion. Associate understands that the Talk Fusion Policies and Procedures, the Talk Fusion Compensation Plan and/or the Talk Fusion Terms of Service may be amended at the sole discretion of Talk Fusion, and Associate agrees to abide by all such amendments. Notification of amendments shall be posted on Talk Fusion's website, www.talkfusion.com. Amendments shall become effective 30 days after publication. The continuation of Associate's Talk Fusion business or my acceptance of bonuses or commissions shall constitute Associate's acceptance of any and all amendments.

7. An Associate may not assign any rights or delegate any duties under the Agreement without the prior written consent of Talk Fusion. Any attempt to transfer or assign the Agreement without the express written consent of Talk Fusion renders the Agreement voidable at the option of Talk Fusion and may result in termination of Associate's business.
8. Talk Fusion, its parent or affiliated companies, directors, officers, shareholders, employees, assigns, and agents (collectively referred to as "affiliates"), shall not be liable for, and Associate releases Talk Fusion and its affiliates from, all claims for consequential and exemplary damages for any claim or cause of action relating to the Agreement. Associate further agrees to release Talk Fusion and its affiliates from all liability arising from or relating to the promotion or operation of his or her Talk Fusion business and any activities related to it (e.g., the presentation of Talk Fusion Products or Compensation Plan, the operation of a motor vehicle, the lease of meeting or training facilities, etc.), and agree to indemnify Talk Fusion for any liability, damages, fines, penalties, or other awards arising from any unauthorized conduct that Associate undertakes in operating their business.
9. Any promises, representations, offers, or other communications not expressly set forth in the Agreement are of no force or effect.
10. If any provision of the Agreement is held to be invalid or unenforceable, only such portion of the provision as is held to be invalid or unenforceable shall be severed from the Agreement and reformed only to the extent necessary to make it enforceable. The balance of the Agreement will remain in full force and effect.

- 11. Dispute resolution, jurisdiction and venue shall be governed as set forth in the Statement of Policies and Procedures.

- 12. If an Associate wishes to bring an action against Talk Fusion for any act or omission relating to or arising from the Agreement, such action must be brought within one year from the date of the alleged conduct giving rise to the cause of action. Failure to bring such action within

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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

TALK FUSION, INC., a Florida corporation,

Plaintiff,

Case No.

v.

J.J. ULRICH, an individual, JOE READ, an individual, and I WOW WE, LLC, a Texas limited liability company,

Defendants.

_____ /

COMPLAINT

Plaintiff, Talk Fusion, Inc., sues defendants, J.J. Ulrich, Joe Read, and I Wow We, LLC, by and through undersigned counsel, and alleges:

1. This is an action for preliminary and permanent injunctive relief, and damages.

PARTIES

2. Plaintiff, Talk Fusion, Inc. (“**Talk Fusion**”), is a Florida corporation with its principal place of business in Brandon, Hillsborough County, Florida.

3. Defendant, J.J. Ulrich (“**Ulrich**”), is an individual residing in the State of Utah.

4. Defendant, Joe Read (“**Read**”), is an individual residing in the State of Colorado.

5. Defendant, I Wow We, LLC (“**I Wow We**”), is not a citizen of the State of Florida. On information and belief, I Wow We was formed under the laws of the State of Texas. I Wow We’s principal place of business is in The Woodlands, Texas.

JURISDICTION AND VENUE

6. Jurisdiction exists by virtue of diversity of citizenship, 28 U.S.C. § 1332. The amount in controversy exceeds Seventy-five Thousand Dollars (\$75,000), exclusive of interest

and costs. Immediate injunctive relief is sought pursuant to Federal Rule of Civil Procedure 65(a). Venue is proper in this judicial district under 28 U.S.C. § 1391(a), as the Defendants are subject to personal jurisdiction within this District.

7. Furthermore, Ulrich and Read entered into an agreement providing for jurisdiction and venue in Hillsborough County, Florida. *See* Talk Fusion’s Statement of Policies and Procedures attached as **Exhibit A**.

BACKGROUND FACTS

8. Talk Fusion is a direct sales company that markets its products through independent associates (“**Associates**”). Talk Fusion markets and sells various video communication products for personal and business use, including a web-based software that allows a customer to create video emails and send them to friends, family, and customers; all without attachments or special software to install. Associates are customers of Talk Fusion’s services, but also sell Talk Fusion’s products, recruit other Associates, and earn commissions.

9. On or about October 21, 2010, Ulrich became a Talk Fusion Associate. *See* **Exhibit A**.

10. On or about February 9, 2011, Read became a Talk Fusion Associate. *See* **Exhibit B**.

11. I Wow We engages in substantially the same business as Talk Fusion, uses a similar business model, and is a competitor of Talk Fusion.

12. As a condition to becoming an Associate, Ulrich and Read agreed to Talk Fusion’s Statement of Policies and Procedures (“**Policies**”), and also Talk Fusion’s Terms of Service. A true and correct copy of the Policies is attached as **Exhibit C**, and a true and correct

copy of the Terms of Service is attached as **Exhibit D**. The Policies and Terms of Service are a contract between Ulrich, Read, and Talk Fusion.

13. Ulrich and Read created a website named www.talkfusionservice.com using a collection of existing Talk Fusion videos already appearing on the Talk Fusion website. Talk Fusion granted Ulrich and Read permission to create this website because it was presented to Talk Fusion only as a collection of Talk Fusion videos. Ulrich and Read then used the website in a manner to breach their contracts with Talk Fusion and obtain Talk Fusion's confidential, proprietary, and trade secret information. Read subsequently resigned from Talk Fusion and Ulrich was terminated. Ulrich and Read have since joined Talk Fusion's competitor, I Wow We, and are soliciting Talk Fusion Associates in violation of their contracts with Talk Fusion.

14. Without the knowledge and consent of Talk Fusion, Ulrich and Read marketed the www.talkfusionservice.com website to all Talk Fusion Associates, including those Associates who were not part of their Talk Fusion team. It is a violation of the Policies to "Cross Sponsor," meaning market to Associates who are already on another Associate's team. The Policies state:

3.9 - Cross-Sponsoring

Actual or attempted cross sponsoring is strictly prohibited. "Cross sponsoring" is defined as the enrollment of an individual who or entity that already has a current Customer or Associate Agreement on file with Talk Fusion, or who has had such an agreement within the preceding six calendar months, within a different line of sponsorship.

15. Without Talk Fusion's knowledge or consent, through the www.talkfusionservice.com website, Ulrich and Read requested and received Associates' confidential identification numbers and passwords under the guise that this request was approved by Talk Fusion.

16. Once Ulrich and Read obtained other Associates' identification numbers and passwords, they had access to confidential, proprietary, and trade secret information including names, email addresses, and telephone numbers of Talk Fusion Associates and customers, copies of every video email that an Associate had sent to anybody, the Address Book of Talk Fusion Associates (showing to whom videos were sent and their subject), and Talk Fusion's Downline Activity (Genealogy) showing placement, volume, commission amounts and history, rank, and status.

17. Talk Fusion's Policies state:

3.7.4 - Downline Activity (Genealogy) Reports

Downline Activity Reports are available for Associate access in their official Back Office. Associate access to their Downline Activity Reports is password protected. **All Downline Activity Reports and the information contained therein are confidential and constitute proprietary information and business trade secrets belonging to Talk Fusion.** Downline Activity Reports are provided to Associates in strictest confidence and are made available to Associates for the sole purpose of assisting Associates in working with their respective Downline Organizations in the development of their Talk Fusion business. Associates should use their Downline Activity Reports to assist, motivate, and train their downline Associates. The Associate and Talk Fusion agree that, but for this agreement of confidentiality and nondisclosure, Talk Fusion would not provide Downline Activity Reports to the Associate. An Associate shall not, on his or her own behalf, or on behalf of any other person, partnership, association, corporation or other entity:

- Directly or indirectly disclose any information contained in any Downline Activity Report to any third party;
- Directly or indirectly disclose the password or other access code to his or her Downline Activity Report;
- Use the information to compete with Talk Fusion or for any purpose other than promoting his or her Talk Fusion business;
- Recruit or solicit any Associate or Customer of Talk Fusion listed on any report, or in any manner attempt to influence or induce any Associate or Preferred Customer of Talk Fusion, to alter their business relationship with Talk Fusion; or
- Use or disclose to any person, partnership, association, corporation, or other entity any information contained in any Downline Activity Report.

Upon demand by the Company, any current or former Associate will return the original and all copies of Downline Activity Reports to the Company.

18. The Terms of Service state:

Ownership, Reservation of Rights

Nothing in this Agreement shall be construed to grant user any rights, by license, title or otherwise, to any aspect of Talk Fusion’s intellectual property. User acknowledges and agrees that Talk Fusion contains proprietary and confidential information that is protected by applicable intellectual property and other laws. Except as expressly authorized by Talk Fusion, user agrees not to modify, rent, lease, loan, sell, distribute or create derivative works based on Talk Fusion, in whole or in part.

19. Ulrich and Read used confidential information illegally obtained from Talk Fusion’s Associates to market selling aids to Talk Fusion Associates in violation of the Policies.

The Policies provide:

3.2 - Advertising

3.2.1 - General

* * *

Talk Fusion Associates may not sell sales aids to other Talk Fusion Associates. Therefore, Associates who receive authorization from Talk Fusion to produce their own sales aids may make the sales aids available to other Associates free of charge, but may not sell such sales aids to any other Talk Fusion Associate.

20. The selling aids that Ulrich and Read were selling included an auto dialer. It is specifically against Talk Fusion’s Policies to use an auto dialer of any type:

3.23.5 - In addition, Associates shall not use automatic telephone dialing systems relative to the operation of their Talk Fusion businesses. The term “automatic telephone dialing system” means equipment which has the capacity to: (a) store or produce telephone numbers to be called, using a random or sequential number generator; and (b) to dial such numbers.

21. On or about April 25, 2011, Talk Fusion began receiving complaints from other Associates that Ulrich was marketing to their Associates in violation of the Policies.

22. On or about April 25, 2011, Talk Fusion became aware of Ulrich and Read accessing a Talk Fusion server and copying Talk Fusion's "genealogy." Talk Fusion uses a direct marketing business model. Direct marketing involves the selling of products by Associates who build their own sales force. Associates can develop exponentially expanding organizations for which they have oversight. These organizations are referred to as "downlines" or in Talk Fusion's case, "genealogies."

23. Read, who is a computer programmer, at the direction of Ulrich, wrote a program to access Talk Fusion's servers and copy Associates' genealogy information contained in each Associate's back office. This information is confidential, proprietary, and a trade secret.

24. On or about April 25, 2011, Talk Fusion noticed a spike of activity on one of its servers. This spike was Ulrich's and Read's attack of Talk Fusion's servers to obtain the genealogy information.

25. Robert Reina, President of Talk Fusion, spoke with Ulrich and Read, and they admitted to creating and using a program to obtain genealogy information from Talk Fusion's servers. After Reina spoke with Ulrich and Read, the attacks on Talk Fusion servers ended.

26. On May 9, 2011, Read resigned as a Talk Fusion associate.

27. On May 9, 2011, Talk Fusion began receiving reports that Ulrich was promoting I Wow We and was soliciting Talk Fusion Associates.

28. On May 9, 2011, Talk Fusion terminated Ulrich as a Talk Fusion Associate.

29. Subsequent to his termination, Ulrich solicited Talk Fusion Associates, who were not personally sponsored by Ulrich and Read, to join I Wow We. Among other things, Ulrich and Read solicited Talk Fusion Associates through the use of a surrogate or strawman named Joe Gillardi. Joe Gillardi is associated with I Wow We.

30. The Policies contain a non-solicitation covenant stating:

3.7.1 - Nonsolicitation

Talk Fusion Associates are free to participate in other multilevel or network marketing business ventures or marketing opportunities (collectively “network marketing”). However, during the term of this Agreement, Associates may not directly or indirectly Recruit other Talk Fusion Associates or Customers for any other network marketing business. Following the cancellation of an Associate’s Independent Associate Agreement, and for a period of six calendar months thereafter, with the exception of an Associate who is personally sponsored by the former Associate, a former Associate may not Recruit any Talk Fusion Associate or Customer for another network marketing business. Associates and the Company recognize that because network marketing is conducted through networks of independent contractors dispersed across the entire United States and internationally, and business is commonly conducted via the internet and telephone, an effort to narrowly limit the geographic scope of this non-solicitation provision would render it wholly ineffective. Therefore, Associates and Talk Fusion agree that this non-solicitation provision shall apply to all markets in which Talk Fusion conducts business.

31. During the term of their contracts with Talk Fusion, Ulrich and Read breached the non-solicitation covenant by soliciting Talk Fusion Associates to join I Wow We. After termination of their contracts with Talk Fusion, Ulrich and Read breached their non-solicitation covenants with Talk Fusion by soliciting Talk Fusion’s Associates, whom they did not personally sponsor, to join I Wow We.

32. Ulrich and Read are using the confidential information they illegally obtained from Talk Fusion to target, market to, and solicit Talk Fusion Associates.

ACTION FOR PRELIMINARY AND PERMANENT INJUNCTION

33. Ulrich and Read have demonstrated a pattern of violating multiple provisions of their contracts with Talk Fusion and other legal duties to Talk Fusion. Ulrich and Read obtained confidential Talk Fusion Associates’ identification numbers and passwords. They then designed a program using illegally obtained identification numbers and passwords to access Talk Fusion’s

servers and obtain other confidential information, including genealogy information of Talk Fusion Associates. They violated their contracts with Talk Fusion by selling sales aids to other Talk Fusion Associates. They attempted to recruit Talk Fusion Associates away from their existing sponsors. They have and are currently soliciting Talk Fusion Associates to leave Talk Fusion and join I Wow We.

34. Ulrich and Read have intentionally breached their contracts, which has resulted in irreparable damage to Talk Fusion's legitimate business interests.

35. Ulrich, Read, and I Wow We have conspired to solicit Talk Fusion Associates to join I Wow We in violation of Ulrich's and Read's contracts with Talk Fusion.

36. I Wow We has tortiously interfered with Talk Fusion's contractual relationship with its Associates.

37. Pursuant to Section 542.335, *Florida Statutes*, Talk Fusion is entitled to the immediate entry of injunctive relief to enjoin the action of Defendants, which are in violation of their contracts with Talk Fusion.

38. The duration and geographic scope of the nonsolitation covenants are reasonable.

39. The enforcement of the restrictions within the contracts through issuance of an injunction is reasonably necessary to protect Talk Fusion's legitimate business interest.

40. Pursuant to Section 688.01, *et seq.*, *Florida Statutes*, Talk Fusion is entitled to the immediate entry of injunctive relief to enjoin the actions of Defendants that constitute misappropriation of Talk Fusion's trade secrets.

41. As a direct, proximate result of the unlawful conduct of Defendants, Talk Fusion has sustained and will continue to sustain irreparable injury unless defendants are immediately enjoined.

42. Talk Fusion is without an adequate remedy at law to redress the harm caused to its legitimate business interest by the actions of Defendants, including the loss of Associates, the loss of income, and the disclosure and use of its confidential and proprietary information and trade secrets.

43. The issuance of an injunction against Defendants will not threaten the public health, safety, or welfare, and the equities favor Talk Fusion.

44. All conditions precedent to bringing this action have occurred or have been performed, excused, or waived.

45. Talk Fusion has retained undersigned counsel to represent it in this action and is obligated to pay them a reasonable fee for their services.

Wherefore, Plaintiff, Talk Fusion, Inc., hereby demands entry of the following injunctive relief against defendants, Ulrich, Read, and I Wow We:

a. entry of a temporary injunction and preliminary injunction, pending final adjudication and permanent relief, enjoining Ulrich and Read from violating their nonsolicitation covenants with Talk Fusion, including but not limited to recruiting Talk Fusion Associates who they did not personally sponsor and enjoining I Wow We from soliciting Talk Fusion Associates in concert with Ulrich and Read;

b. entry of a temporary injunction and preliminary injunction, pending final adjudication and permanent relief, enjoining Ulrich, Read, and I Wow We from using or disclosing Talk Fusion's confidential and proprietary information and trade secrets, and requiring the return of same;

c. an award of this attorneys' fees and costs pursuant to Section 542.335, *Florida Statutes*; and

d. an award of such other and further relief, interim or permanent, as the Court deems just and appropriate under the circumstances.

NOTICE OF INTENT TO SEEK ATTORNEYS' FEES

Talk Fusion hereby provides notice of its intent to seek attorneys' fees pursuant to Section 542.335, *Florida Statutes*.

DATED: May 20, 2011.

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