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*Attorneys for Defendants*  
JSS INVESTMENT VENTURES, LLC;  
JSS TRUST; and GERALD D. SPANGLER

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**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

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FEDERAL TRADE COMMISSION, and  
UTAH DIVISION OF CONSUMER  
PROTECTION,,

Plaintiffs,

vs.

ZURIXX, LLC, a Utah limited liability  
company, BRAND MANAGEMENT  
HOLDINGS, LLC, a Delaware limited liability  
company, CAC INVESTMENT VENTURES,  
LLC, a Puerto Rico limited liability company,  
CARLSON DEVELOPMENT GROUP, LLC,  
a Utah limited liability company, CARLSON  
DEVELOPMENT GROUP, LLC, a Puerto  
Rico limited liability company, CJ SEMINAR  
HOLDINGS, LLC, a Utah limited liability  
company, DORADO MARKETING AND  
MANAGEMENT, LLC, f/k/a Zurixx, LLC, a  
Puerto Rico limited liability company, JSS  
INVESTMENT VENTURES, LLC, a Utah  
limited liability company, JSS TRUST,  
individually and as an owner of JSS  
INVESTMENT VENTURES, LLC, ZURIXX

**ANSWER TO FIRST AMENDED  
COMPLAINT FOR PERMANENT  
INJUNCTION AND OTHER  
EQUITABLE RELIEF**

Civil No. 2:19-cv-00713-DAK-EJF

The Honorable Judge Dale A. Kimball

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FINANCIAL, LLC, a Utah limited liability company, ZURIXX FINANCIAL, LLC, a Puerto Rico limited liability company, CRISTOPHER A. CANNON, individually and as an officer of ZURIXX, LLC, JAMES M. CARLSON, individually and as an officer of ZURIXX, LLC, JEFFREY D. SPANGLER, individually and as an officer of ZURIXX, LLC, and GERALD D. SPANGLER, as trustee for the JSS TRUST.

Defendants.

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Defendants JSS Investment Ventures, LLC (“JSS Ventures”), the JSS Trust, and Gerald D. Spangler (collectively, “Defendants”), through undersigned counsel, respectfully submits this Answer to Plaintiffs’ First Amended Complaint.

**FIRST DEFENSE**

Plaintiffs fail to state a cause of action against Defendants upon which relief can be granted.

**SECOND DEFENSE**

Defendants respond as follows to the allegations contained in the following numbered paragraphs of the First Amended Complaint. The headings and numbers set forth below correspond with the numbering employed by Plaintiffs in their First Amended Complaint.

1. Answering paragraph 1 of the First Amended Complaint, Defendants admit the allegations contained therein.

2. Answering paragraph 2 of the First Amended Complaint, Defendants admit the allegations contained therein.

### **JURISDICTION AND VENUE**

3. Answering paragraph 3 of the First Amended Complaint, and only for the purpose of standing, Defendants admit the Court has subject matter jurisdiction.

4. Answering paragraph 4 of the First Amended Complaint, and only for the purpose of standing, Defendants admit the Court has subject matter jurisdiction.

5. Answering paragraph 5 of the First Amended Complaint, and only for the purpose of standing, Defendants admit the Court has subject matter jurisdiction.

### **SUMMARY OF THE CASE**

6. Answering paragraph 6 of the First Amended Complaint, Defendants deny the allegations contained therein.

7. Answering paragraph 7 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

8. Answering paragraph 8 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

9. Answering paragraph 9 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

10. Answering paragraph 10 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

11. Answering paragraph 11 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

12. Answering paragraph 12 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

13. Answering paragraph 13 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

14. Answering paragraph 14 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**PLAINTIFFS**

15. Answering paragraph 15 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

16. Answering paragraph 16 of the First Amended Complaint, Defendants admit the allegations contained therein.

17. Answering paragraph 17 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

18. Answering paragraph 18 of the First Amended Complaint, Defendants admit the allegations contained therein.

**DEFENDANTS**

19. Answering paragraph 19 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

20. Answering paragraph 20 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

21. Answering paragraph 21 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

22. Answering paragraph 22 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

23. Answering paragraph 23 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

24. Answering paragraph 24 of the First Amended Complaint, Defendants admit that CJ Seminar is a Utah limited liability company with its principal place of business at 2750 East Cotton wood Parkway, Suite 200, Cottonwood Heights, Utah 84121 but are without sufficient

knowledge or information as to form a belief as to the truth or falsity of the other allegations and therefore deny the same.

25. Answering paragraph 25 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

26. Answering paragraph 26 of the First Amended Complaint, Defendants admit that JSS Ventures is a Utah limited liability company with its principal place of business at 814A Saiz Lane, Bloomfield, New Mexico 87413 but are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

27. Answering paragraph 27 of the First Amended Complaint, Defendants admit that the JSS Trust is a Utah trust for which Jeffrey D. Spangler was the grantor. Defendants also admit that JSS Trust is an owner of JSS Ventures but deny all other allegations contained therein.

28. Answering paragraph 28 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

29. Answering paragraph 29 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

30. Answering paragraph 30 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

31. Answering paragraph 31 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

32. Answering paragraph 32 of the First Amended Complaint, Defendants admit that Jeffrey D. Spangler is an officer of Zurrixx, LLC and the grantor of the JSS Trust but deny all other allegations contained therein.

33. Answering paragraph 33 of the First Amended Complaint, Defendants admit that Gerald D. Spangler is the trustee of the JSS Trust and that he holds legal title to all of JSS Trust's assets solely in his capacity as trustee, but deny all other allegations contained therein.

**DEFENDANTS ARE A COMMON ENTERPRISE**

34. Answering paragraph 34 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

35. Answering paragraph 35 of the First Amended Complaint, Defendants deny the allegations contained therein.

36. Answering paragraph 36 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

37. Answering paragraph 37 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

38. Answering paragraph 38 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

39. Answering paragraph 39 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

40. Answering paragraph 40 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

41. Answering paragraph 41 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

#### **COMMERCE**

42. Answering paragraph 42 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

#### **ZURIXX'S BUSINESS ACTIVITIES**

43. Answering paragraph 43 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.



44. Answering paragraph 44 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

45. Answering paragraph 45 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

46. Answering paragraph 46 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

47. Answering paragraph 47 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

48. Answering paragraph 48 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

49. Answering paragraph 49 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

50. Answering paragraph 50 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Zurixx's Free Teaser Event**

51. Answering paragraph 51 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

52. Answering paragraph 52 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

53. Answering paragraph 53 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

54. Answering paragraph 54 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

55. Answering paragraph 55 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

56. Answering paragraph 56 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Misrepresentations At The Free Event That Consumers Are Likely To Earn  
Thousands Of Dollars In Profit Through Real Estate Investing**

57. Answering paragraph 57 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

58. Answering paragraph 58 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Misrepresentations At The Free Event That Consumers Will Receive  
100% Funding For Their Real Estate Investments**

59. Answering paragraph 59 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

60. Answering paragraph 60 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

61. Answering paragraph 61 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Misrepresentations At The Free Event That Making Thousands of Dollars In Profit From  
Real Estate Investing Requires Little Time And Effort**

62. Answering paragraph 62 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

63. Answering paragraph 63 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

64. Answering paragraph 64 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Misrepresentations At The Free Event That Consumers Who Attend The 3-Day Workshop Will Learn Everything They Need To Know To Make Thousands of Dollars In Profit From Real Estate Investing**

65. Answering paragraph 65 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

66. Answering paragraph 66 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

67. Answering paragraph 67 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Failure to Disclose Material Aspects Of Zurixx's Refund Policy at the Free Event**

68. Answering paragraph 68 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

69. Answering paragraph 69 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

70. Answering paragraph 70 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

71. Answering paragraph 71 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

72. Answering paragraph 72 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

73. Answering paragraph 73 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

74. Answering paragraph 74 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

75. Answering paragraph 75 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

76. Answering paragraph 76 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

### **The 3-Day Workshop**

77. Answering paragraph 77 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

78. Answering paragraph 78 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

79. Answering paragraph 79 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

80. Answering paragraph 80 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

81. Answering paragraph 81 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

82. Answering paragraph 82 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Misrepresentations At The 3-Day Workshop That Consumers  
Are Likely To Make Thousands of Dollars In Profit Through Real Estate Investing**

83. Answering paragraph 83 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

84. Answering paragraph 84 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

85. Answering paragraph 85 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

86. Answering paragraph 86 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

87. Answering paragraph 87 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Zurixx Instructs Consumers At The 3-Day Workshop To Provide Speculative And  
Unsubstantiated Future Income On Credit Applications**

88. Answering paragraph 88 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

89. Answering paragraph 89 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

90. Answering paragraph 90 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

91. Answering paragraph 91 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

92. Answering paragraph 92 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

93. Answering paragraph 93 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Misrepresentations At The 3-Day Workshop That Profitable Real Estate Investing Requires Little Time And Effort**

94. Answering paragraph 94 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

95. Answering paragraph 95 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.



96. Answering paragraph 96 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

97. Answering paragraph 97 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

### **Zurixx's Telemarketing Activities**

98. Answering paragraph 98 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

99. Answering paragraph 99 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

100. Answering paragraph 100 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

101. Answering paragraph 101 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

102. Answering paragraph 102 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

103. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

104. Answering paragraph 104 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

105. Answering paragraph 105 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

106. Answering paragraph 106 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

107. Answering paragraph 107 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

108. Answering paragraph 108 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

109. Answering paragraph 109 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**Form Settlement Provisions That Prohibit Consumers From  
Pursuing Or Filing Complaints With Regulators And Other Entities**

110. Answering paragraph 110 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

111. Answering paragraph 111 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

112. Answering paragraph 112 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

113. Answering paragraph 113 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

114. Answering paragraph 114 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

115. Answering paragraph 115 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**ZURISS'S TIES TO UTAH**

116. Answering paragraph 116 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

***Zurixx is Headquartered in Utah***

117. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

118. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

119. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

120. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

***Zurixx's Fulfillment is Provided From Utah***

121. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

122. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

123. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

***Zurixx Conducts Telesales From Utah***

124. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

125. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

***Zurixx's Customer Service is Provided Primarily From Utah***

126. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

***Zurixx Sues Consumers in Utah***

127. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

128. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

***Utah Has a Valid Interest in Regulating Zurixx's Conduct***

129. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**VIOLATIONS OF THE FTC ACT**

130. Answering paragraph 103 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

131. Answering paragraph 103 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

132. Answering paragraph 103 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT I – MISREPRESENTATIONS REGARDING EARNINGS**

**(By Plaintiff Federal Trade Commission)**

133. Answering paragraph 133 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

134. Answering paragraph 134 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

135. Answering paragraph 135 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT II – OTHER MISPRESENTATIONS REGARDING ZURIXX’S PRODUCTS OR SERVICES**

**(By Plaintiff Federal Trade Commission)**

136. Answering paragraph 136 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

137. Answering paragraph 137 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

138. Answering paragraph 138 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT III – FAILURE TO DISCLOSE MATERIAL ASPECTS OF REFUND POLICY**

**(By Plaintiff Federal Trade Commission)**

139. Answering paragraph 139 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

140. Answering paragraph 140 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

141. Answering paragraph 141 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT IV – MISREPRESENTATIONS REGARDING COACHING PACKAGES**

**(By Plaintiff Federal Trade Commission)**

142. Answering paragraph 142 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

143. Answering paragraph 143 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

144. Answering paragraph 144 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**VIOLATION OF THE CONSUMER REVIEW FAIRNESS ACT**

145. Answering paragraph 145 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.



146. Answering paragraph 146 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

147. Answering paragraph 147 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

148. Answering paragraph 148 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNTY V – CRFA VIOLATION**

**(By Plaintiff Federal Trade Commission)**

149. Answering paragraph 149 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

150. Answering paragraph 150 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**VIOLATIONS OF THE TELEMARKETING SALES RULE**

151. Answering paragraph 151 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

152. Answering paragraph 152 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

153. Answering paragraph 153 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

154. Answering paragraph 154 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

155. Answering paragraph 155 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

#### **COUNTY VI – DECEPTIVE TELEMARKETING**

##### **(By Plaintiffs Federal Trade Commission and Utah Division of Consumer Protection)**

156. Answering paragraph 156 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

157. Answering paragraph 157 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**VIOLATIONS OF THE UCSPA**

158. Answering paragraph 158 of the First Amended Complaint, Defendants admit the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

159. Answering paragraph 159 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

160. Answering paragraph 160 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

161. Answering paragraph 161 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT VII – DECEPTIVE ACTS OR PRACTICES (EARNINGS CLAIMS)**

**(By Plaintiff Utah Division of Consumer Protection)**

162. Answering paragraph 162 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

163. Answering paragraph 163 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

164. Answering paragraph 164 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT VIII – DECEPTIVE ACTS OR PRACTICES (PRODUCTS AND SERVICES PROVIDED)**

**(By Plaintiff Utah Division of Consumer Protection)**

165. Answering paragraph 165 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

166. Answering paragraph 166 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

167. Answering paragraph 167 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT IX – FAILURE TO DISCLOSE MATERIAL ASPECTS OF REFUND POLICY**

**(By Plaintiff Utah Division of Consumer Protection)**

168. Answering paragraph 168 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

169. Answering paragraph 169 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

170. Answering paragraph 170 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT X – MISREPRESENTATIONS REGARDING COACHING PACKAGES**

**(By Plaintiff Utah Division of Consumer Protection)**

171. Answering paragraph 171 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

172. Answering paragraph 172 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

173. Answering paragraph 173 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**VIOLATIONS OF THE BODA**

174. Answering paragraph 174 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

175. Answering paragraph 175 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

176. Answering paragraph 176 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

177. Answering paragraph 177 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

178. Answering paragraph 178 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT XI – FAILURE TO FILE REQUIRED INFORMATION WITH THE DIVISION**

**(By Plaintiff Division of Consumer Protection)**

179. Answering paragraph 179 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

180. Answering paragraph 180 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

181. Answering paragraph 181 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COUNT XII – FAILURE TO PROVIDE REQUIRED DISCLOSURES TO  
PROSPECTIVE PURCHASERS**

**(By Plaintiff Utah Division of Consumer Protection)**

182. Answering paragraph 182 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

183. Answering paragraph 183 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

184. Answering paragraph 184 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**VIOLATIONS OF THE TFPA**

185. Answering paragraph 185 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

186. Answering paragraph 186 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

187. Answering paragraph 187 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

188. Answering paragraph 188 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

189. Answering paragraph 189 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

190. Answering paragraph 190 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

191. Answering paragraph 191 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

192. Answering paragraph 192 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

193. Answering paragraph 193 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.



**COUNT XIII – MISREPRESENTATIONS REGARDING COACHING PACKAGES**

**(By Plaintiff Division of Consumer Protection)**

194. Answering paragraph 194 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

195. Answering paragraph 195 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

196. Answering paragraph 196 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

197. Answering paragraph 197 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**CONSUMER INJURY**

198. Answering paragraph 198 of the First Amended Complaint, Defendants are without sufficient knowledge or information as to form a belief as to the truth or falsity of the allegation and therefore deny the same.

**COURT’S POWER TO GRANT RELIEF**

199. Answering paragraph 199 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute’s language, interpretation, and/or intent.

200. Answering paragraph 200 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

201. Answering paragraph 201 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

202. Answering paragraph 202 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

203. Answering paragraph 203 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

204. Answering paragraph 204 of the First Amended Complaint, Defendants admit to the allegations contained therein to the extent they properly reflect the statute's language, interpretation, and/or intent.

### **AFFIRMATIVE DEFENSES**

1. Plaintiffs' First Amended Complaint and each claim of the First Amended Complaint is barred for statute of limitations.

2. Plaintiffs' First Amended Complaint and each claim of the First Amended Complaint is barred by the Plaintiffs' assumption of risk.

3. Plaintiffs' First Amended Complaint and each claim of the First Amended Complaint is barred by the doctrine of laches.

4. Plaintiffs' First Amended Complaint and each claim of the First Amended Complaint is barred by the doctrine of waiver.

5. Plaintiffs' First Amended Complaint and each claim of the First Amended Complaint is barred by the Plaintiffs' comparative fault.

6. Any recovery of Plaintiff's against Defendants would result in unjust enrichment to Plaintiffs.

7. Plaintiffs' First Amended Complaint and each claim of the First Amended Complaint is barred by the doctrine of re judicata.

8. If Plaintiffs claims are found to be invalid then fault should be allocated pursuant to Utah Code Ann. § 78B-5-801, et seq., to non-parties that were related to responsible for, or in charge of operating any operations for which their actions were negligent.

9. The Defendants incorporate any other affirmative defenses set forth in Rule 8 of the Federal Rules of Civil Procedure that may apply to Plaintiffs' claim.

10. These answering Defendants have or may have other affirmative defenses which are not known at this time, but which may be ascertained through future discovery herein. These answering Defendants reserve the right to assert each and every affirmative defense that may be ascertained through future discovery, or as evidence is presented at trial that support such a defense.

WHEREFORE, Defendants pray for judgment as follows:

1. That Plaintiffs take nothing by the Complaint and that the Complaint be dismissed with prejudice.

2. For Defendants' attorney's fees and costs incurred herein.

Dated: December 9, 2020

Respectfully submitted,

ARMSTRONG TEASDALE LLP

*/s/ Brennan Moss*

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Brennan H. Moss

Michael A. Gehret

*Attorneys for Defendants*

JSS INVESTMENT VENTURES, LLC;

JSS TRUST; GERALD D. SPANGLER

**CERTIFICATE OF SERVICE**

I certify that on December 9, 2020, I caused a true and correct copy of **DEFENDANTS' ANSWER TO FIRST AMENDED COMPLAINT** to be sent via the Court's electronic notification system to all counsel of record.

/s/ Brennan Moss