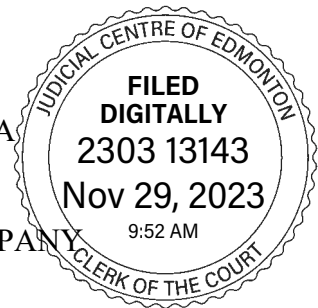


COURT FILE NUMBER 2303 13143  
COURT COURT OF KING'S BENCH OF ALBERTA  
JUDICIAL CENTRE EDMONTON  
PLAINTIFF PRIMERICA, INC., PRIMERICA LIFE  
INSURANCE COMPANY, PRIMERICA  
FINANCIAL SERVICES LLC, PFSL  
INVESTMENTS CANADA LTD., and  
PRIMERICA LIFE INSURANCE COMPANY  
OF CANADA  
DEFENDANT MARCO MOUKHAIBER  
DOCUMENT **AFFIDAVIT**  
ADDRESS FOR SERVICE NANDA & COMPANY  
AND CONTACT ATTN: Avnish Nanda  
INFORMATION OF PARTY 10007 80 Ave NW  
FILING THIS DOCUMENT Edmonton, AB T6E 1T4  
Tel: 587-400-1253  
Fax: 587-318-1391  
Email: avnish@nandalaw.ca  
File No.: 729.00001



**AFFIDAVIT OF ROBERT L. FITZPATRICK**

**Sworn on November 28, 2023**

I, Robert L. FitzPatrick of Hot Springs, North Carolina, United States of America SWEAR AND SAY THAT:

1. As a result of my education, training, credentials, work experience, and other details set out below, I have personal knowledge of the information set out in this affidavit, except to such matters based upon information and belief.
2. I am uniquely qualified to offer expert opinion on the issues of deception, consumer harm and pyramid schemes in this case. My work as expert witness, author, consumer advocate, business analyst and public speaker on these issues includes:
  - Finding discrepancies in data or statements made by company officials or representatives to shareholders, recruited distributors, government regulators, or consumers that indicate deliberate deception, redirection or coverup.
  - Analysis of cash flow and revenue sources related to market-driven sales transactions versus induced purchases and expenditures by distributors
  - Tracking rates of attrition, bankruptcies, losses among distributors.

- Examining methods of extreme persuasion used to divert people from doing due diligence, and indicating potential fraud or coverup of fraud
  - Evaluating a business model for viability of an advertised “income opportunity”, including levels of support in advertising, sales leads, levels of competition, market pricing, consumer demand
  - Dissecting and statistically factoring compensation plans to determine viability, levels of required production, withholding of key information and disclosure of risk factors for consumers buying into an advertised income opportunity in “direct selling.”
3. My qualifications include academic studies in the field of Sociology, nearly 20 years of professional work as a business model analyst in the field of supplier-distributor relations in several industries, years of research in writing two published reference books on pyramid schemes and multi-level marketing, service as president of a non-profit consumer education organization involving communications with thousands of MLM participants, professional consulting to Wall Street analysts on publicly traded multi-level marketing companies, including Primerica, and being selected to serve as expert witness and/or consultant in more than 35 court cases involving issues of deception, consumer harm and pyramid schemes.
  4. I have been retained as expert by the US Dept of Justice and several state Attorneys General. I also served as expert in a case defending the Better Business Bureau in a pyramid scheme case. Additionally, I am consulted for background or quotes by major news media including national television news, international news services and major publications.
  5. I am the author of the book, *Ponzinomics, the Untold Story of Multi-Level Marketing* (2021), the first and only comprehensive history and analysis of the multi-level marketing (MLM) and pyramid schemes, addressing MLM’s origins, history, political influence, and promotional and persuasion techniques. The book was featured in 2021 on the NPR national new show, IA, hosted by Jen White. I am co-author of *False Profits* (1997), an examination of the values and beliefs that support the delusions of pyramid schemes. I have been featured as an expert on multi-level marketing and pyramid schemes on *NBC Dateline*, *ABC World News*, and *CBS 60 Minutes*, in documentary films, *Betting on Zero* (Netflix) and *LuLaRich* (Amazon Prime), and the podcast, *The Dream*.
  6. My work has been quoted in many newspapers around the world, including the *New York Times* and *Wall Street Journal*. My booklet, *Pyramid Nation*, was used by government regulators in writing China's first laws on pyramid schemes. My White Paper, "The Main Street Bubble", was featured in a CNBC Documentary, “Selling the American Dream” produced by national financial analyst, Herb Greenberg. In 2005, I was invited and delivered a seminar in Colombo, Sri Lanka to central banking representatives from that country as well as India, Bangladesh, Bhutan, Maldives and Nepal.
  7. I develop many informational resources for consumers, journalists, academics and regulators and have provided professional consultation to many financial analysts researching the

business of multi-level marketing. In 2000 I co-founded and serve as president of *Pyramid Scheme Alert*, a non-profit, non-commercial website and resource for consumers. The site has been viewed by millions of people around the world. I personally respond to hundreds of consumer and news media inquiries each year. I have served as consultant and expert witness for Attorney General or State Attorney offices in four states and the US Dept. of Justice.

8. Prior to my engagement in consumer education, I provided consulting services in several industries in channel management and distributor marketing, working with hundreds of independent distributors and suppliers. Clients included Fujifilm, HP, Epson, Dupont and many others. Attached as **Exhibit “1”** to this Affidavit is a copy of my *curriculum vitae*.
9. I have been retained by the Defendant in this lawsuit to provide an expert opinion on the business practices of Primerica Inc. and its subsidiaries, some of which are named as Plaintiffs in this action. My testimony will specifically address deception and consumer harm caused by Primerica, facts in support of characterizing the company as a pyramid scheme, potential violations by Primerica of Canada’s *Competition Act*.
10. I certify that I am aware of my duty as an expert witness to assist the court, and not be an advocate for any party. I have made this affidavit and have given this written testimony in conformity with that duty. If I am called on to give further testimony, it will be in conformity with that duty.

**Deception: Inherent/Institutional:**

11. Deception in business is commonly limited to specific statements and enumerated claims made to consumers or investors or reported in financial data to investors, banks and regulators. Primerica’s deception, in my view, must be considered in a different category.
12. Rather than incidental, occasional or transactional, it is institutional deception. It is fundamental to the enterprise. Instances of the deception can be cited, as the Defendant has offered and which I have reviewed. In my view, each such instance is part of the pattern associated with Primerica’s identity, not as an “insurance” company, but as a recruiting-based enterprise with its advertised “income opportunity” as its primary product. The recruiting of sales representatives is its primary revenue-producing activity with the sales representatives serving as its primary “market.”
13. In my 25 years of work as an author, expert witness, consultant and consumer educator, I have been contacted directly by many consumers who had been solicited to become representatives for Primerica or had friends or family members who were solicited.
14. In 2013 I assisted in the preparation of a Freedom of Information request to the Federal Trade Commission for records of consumer complaints about pyramid schemes. Consumer complaints about Primerica were among the files provided.
15. From time to time, I am contacted by journalists, academics and financial analysts about Primerica, related to questions of its recruiting methods, average incomes of representatives,

and pyramid scheme status. I have provided expert analysis on Primerica to financial analysts through the expert consultants' network, Gerson Lehrman Group.

16. Including my stated, long-term background of researching and analyzing the business of Primerica, for this particular case I also recently examined:

- The video documentary on the company prepared by the Defendant, entitled “*Infiltrating a Pyramid Scheme: Primerica*”;
- SEC 10K filings of Primerica over the last five years;
- Consumer Alert website page published by the US Federal Trade entitled, “Multi-Level Marketing Businesses and Pyramid Schemes,” attached at **Exhibit “2”** to this affidavit;
- Notice of Warning Letter sent by FTC to multi-level marketing companies, including Primerica, attached at **Exhibit “3”** to this affidavit;
- Consumer experience shared on Reddit.com regarding experiences with Primerica and other multi-level marketing companies;
- Presentation of the Defendant at “Multilevel Marketing: The Consumer Protection Challenge 2022”, an international conference on multi-level marketing sponsored by The College of New Jersey School of Business;
- Primerica websites for Canada and the USA, focusing on income disclosure information provided to the public;
- Primerica 2022 annual report with focus on average life insurance sales per representative, recruiting and attrition rates, and report to shareholders with information on target market demographics, excerpts of which are attached at **Exhibit “4”** to this affidavit; and
- Definition of multi-level marketing and pyramid selling schemes in Canadian Law, attached at **Exhibit “5”** to this affidavit.

### **Multi-Level Marketing (MLM):**

17. Primerica is a multi-level marketing company, one of hundreds operating in North America. The common and defining product offered by all MLMs is a unique “income opportunity.” It is offered by no other type of enterprise. The opportunity consists of rights to resell products as an independent distributor/retailer and, more important, to gain compensation from the purchases and sales made by all recruits in an “unlimited” genealogical chain, referred to as a “downline.”

18. Each recruit can recruit more recruits who can do the same, *ad infinitum*. The “infinite” chain facilitates Primerica’s electrifying promise of the potential for “unlimited” income to all recruits. This promise, not the prospect of personally selling life insurance, is the source of



extraordinary hope and excitement Primerica generates, at least briefly, among many participants.

### **Endless Chain Architecture:**

19. Within a model based on continuous and exponential expansion, also called an “endless chain”, the vast majority of all participants, at all times, must be in the bottom levels, where the recruiting-based “income opportunity” cannot be realized by virtue of having not any or not enough other recruits “below” them.
20. For example, if one person recruits five others who each recruit five more, a total of 25, who in turn repeat the process, recruiting 125, a total of 155 will be “below” the first recruiter on the “endless” chain. Of those 155, 125 (80%) have no recruiting-based income, since they are on the bottom, and 150 (97%) have either none or only five below them, making them unprofitable. Those percentages will hold true even if the “chain” were to grow to 155 million; 97% would be doomed to lose, by the pyramid’s design, where recruiting is the primary means of gaining the promised high income.

### **MLM and Pyramid Scheme:**

21. A pyramid scheme is founded upon a false promise. The false promise is that all participants, regardless of when they join, have an *undiminishing* opportunity to gain lucrative returns, contingent on bringing more participants into the program.
22. The pyramid scheme ignores market and demographic limits that govern all markets. Such a promise and the “infinitely” expanding model on which it is based are, obviously, mathematically impossible. If each investor recruits just five more, the total number on the chain will exceed the earth’s population in less than 15 recruitment cycles (5 to the 15<sup>th</sup> power is over 30 billion). Therefore, all pyramid schemes must disguise themselves which requires fundamental deception.
23. Various disguises include buyers club, wisdom programs, venture capital, or selective investment programs, among others. The most common disguise, affecting far more consumers than all others combined, is “multi-level marketing”, also called “direct selling” or “network marketing.” Primerica is therefore, *by definition*, a type of company that frequently serves as a pyramid scheme disguise, requiring institutional deception, and prompting extreme consumer concerns.

### **Public Vulnerability and Lack of Information:**

24. The FTC has a special web-page warning and advising consumers of the danger of joining an MLM that might, in fact, be a pyramid scheme, entitled, “*Multi-Level Marketing Businesses and Pyramid Schemes.*” It states, “In some cases, people believe they’ve joined a legitimate MLM, but it turns out to be an illegal pyramid scheme.”<sup>1</sup>

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<sup>1</sup> Federal Trade Commission: “*Multi-Level Marketing Businesses and Pyramid Schemes.*” July 2022. **Exhibit “2”**, page 30 of this affidavit.

25. In 2021, the US Federal Trade Commission sent a letter to hundreds of multi-level marketing companies, *including Primerica*, putting them on notice “that if they deceive or mislead consumers about potential earnings, the FTC won’t hesitate to use its authority to target them with large civil penalties.”<sup>2</sup> The FTC characterized the companies as “businesses that pitch money-making ventures.”<sup>3</sup>

### **MLM and Anti-MLM:**

26. Reflecting the growing consumer awareness and concerns about MLM, the “anti-MLM” Reddit group has 817,000 subscribers. More than 200 posts refer specifically to Primerica, most warning of its potential as a pyramid scheme or deceptive recruiting or reporting losses they suffered. Some refer to it as a “cult.”

### **Vital Sources of Consumer Information:**

27. Because it is widely known and publicly acknowledged by federal and state regulators that millions of people are being solicited to join MLMs, that the ranks of MLM companies include pyramid schemes, and that distinguishing a MLM pyramid scheme may not be possible for many people, the most important and popular sources of consumer information on MLM companies are independently published and publicized on social media, rather than traditional institutional sources. These sources include websites, independently published books, documentaries, and podcasts such as is offered by the Defendant, that offer extensive investigation, gathering of data and anecdotal evidence and interviews with experts.
28. Examining, critiquing and documenting consumer experience in MLM has become an international consumer movement. On March 13th, 2023, some of the leading voices in this growing “anti-MLM” movement conducted an international conference entitled, “Multilevel Marketing: The Consumer Protection Challenge 2023.” The conference was sponsored by The College of New Jersey School of Business. Presenters included state and federal regulators from several countries, academics, attorneys, journalists and prominent and credible “content producers”, including the Defendant.
29. The conference was an international recognition that the legality and economic legitimacy of all “multi-level marketing” companies are in question and that much greater information is needed about such companies and their consequences.

### **Pyramid Scheme Characteristics:**

30. For my analysis, I identify four key factors in determining if a multi-level marketing company, such as Primerica, potentially violates laws regarding pyramid fraud. These are:
- a) payment to participate;

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<sup>2</sup> Federal Trade Commission: “*FTC Puts Businesses on Notice that False Money-Making Claims Could Lead to Big Penalties.*” October 26, 2021. **Exhibit “3”**, page 36 of this affidavit.

<sup>3</sup> Federal Trade Commission: “*FTC Puts Businesses on Notice that False Money-Making Claims Could Lead to Big Penalties.*” October 26, 2021. **Exhibit “3”**, page 36 of this affidavit.

- b) an endless chain structure in which no limit is placed on the number of participants, and all are authorized and incentivized to recruit new participants;
  - c) recruiting as the *primary* way to gain the high returns promised by the enterprise; and
  - d) a compensation formula that transfers the largest percentage of total rewards to a small group at the peak of the recruiting chain from revenue obtained from lower level recruits.
31. In my view, Primerica meets these criteria. Participants pay approximately \$100 to join plus monthly fees, along with other related costs. In the classic MLM model, Primerica authorizes and incentivizes all participants to recruit ever more recruits in an infinitely expanding chain. Payments are transferred upward from bottom to top.
32. Based on the disclosed average sales per sales representative, those gaining significant compensation are those with the most recruits. Recruiting appears to be the *primary* means of recouping initial and ongoing costs and to gain the advertised high-income.
33. Primerica acknowledges to its investors in each annual report, “*The volume of our term life insurance products sales will fluctuate in the short term, but over the longer term, our sales volume generally correlates to the size of the independent sales force.*”<sup>4</sup> As will be shown later in this affidavit, what makes this statement crucial to understanding the identity of Primerica as a recruiting-based enterprise is that the average sales volume for its sales force is just two “life insurance products” per year, far less than needed for sales representative profitability.

#### **Consumer Risk and MLM Legality:**

34. The danger to a consumer from an endless chain proposition exists whether or not the scheme is ever prosecuted or a legal opinion on its legitimacy is rendered by a court. Any enterprise employing an “endless chain” proposition, in which the financial promise of return is primarily based on recruiting new participants will result in extensive loss to participating consumers.
35. Of the more than 30 “multi-level marketing” companies prosecuted in the US in the last 25 years, some of them had operated for many years as presumably “legitimate” enterprises only by virtue of having never been investigated. The legal criteria for prosecutions of pyramids are complex. In the USA and Canada, individual MLMs are not positively identified as legal by regulators. *Any* MLM, potentially, could turn out to be a fraud. The limited resources of regulators for identifying and prosecuting offending MLM enterprises in Canada and the USA leave consumers largely on their own for making judgments about legitimacy when they are solicited.
36. A determination of whether Primerica or any MLM violates anti-fraud laws in the US or Canada’s Competition Act or Canada’s criminal code pertaining to fraud would be made by

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<sup>4</sup> Primerica Annual Report – 2022. **Exhibit “4”**, page 43 of this affidavit.

courts. Such determinations are rare, and they do not offer usable consumer guidance concerning other MLMs. An open question of legality, therefore, is applicable and pertinent to all MLMs, including Primerica. Raising the question and expressions of opinion are common on social media and in other public forums.

37. In my opinion, Primerica *potentially* violates Canada’s Competition Act and its practices and consequences could potentially make it a target for prosecution in the USA.

**Podcasters as Public Resource:**

38. I have worked as a consumer advocate and educator, focused on pyramid frauds operating as “multi-level marketing” enterprise for more than 25 years. From my experience, consumers rely almost entirely on independent watchdogs for useful information regarding the legitimacy of any scheme called “multi-level marketing” such as Primerica. Given the scale of solicitations by Primerica, touching millions of people, questioning, examining, and expressing personal opinions and sharing consumer experiences regarding Primerica is in the public interest.

39. The role of the Defendant and others performing a similar service is vital to the public. Nevertheless, all the podcasters involved in services such as the Defendant’s, openly state they are under continuous threat of defamation lawsuits for making analyses of MLMs, expressing their own views on the public question of MLM legality, and for documenting the negative experiences of consumers.

**Pyramid Scheme Evidence on Primerica: *Market Saturation*:**

40. In 2022 Primerica reported to its shareholders that at the end of the year it had 135,000 Licensed Sales Reps in North America.<sup>5</sup> It also reported that its target market is households earning between \$30,000 and \$100,000.<sup>6</sup>
41. This “target” market constitutes just 43% of US households, or 53.3 million households. The 135,000 number of Licensed Sales Reps equates to only 400 prospective households for each Licensed Sales Rep, not factoring what percent already work with the other insurance salespeople of other companies, and how many will never purchase life insurance.
42. But “Licensed Sales Reps” at the end of 2022 is not the actual total. In the same report, Primerica stated, “Fueled in part by various recruiting incentives, nearly 360,000 individuals joined Primerica as new recruits in 2022.”<sup>7</sup> At the end of 2021, it reported that it had 130,000 Licensed Sales Reps.<sup>8</sup> So, during the full year of 2022, there were 490,000 individuals selling and recruiting for Primerica, all “targeting” the same market, a figure equivalent to one representative for just over every 100 households in the USA (a bit more when Canadian households are added, but not changing the reality of gross saturation.)

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<sup>5</sup> Primerica Annual Report – 2022. **Exhibit “4”**, page 41 of this affidavit.

<sup>6</sup> Primerica Annual Report – 2022. **Exhibit “4”**, page 41 of this affidavit.

<sup>7</sup> Primerica Annual Report – 2022. **Exhibit “4”**, page 41 of this affidavit.

<sup>8</sup> Primerica Securities and Exchange Commission Form 10-K – 2022. **Exhibit “7”**, page 55 of this affidavit.

**Pyramid Scheme Evidence on Primerica: *Massive Recruiting:***

43. In a five year period Primerica reported that it recruited 1.626 million people in North America to become Licensed Sales Reps.<sup>9</sup> This is a number equivalent to 1 out of every 48 adults in North America between 25 and 40 years of age (10.78 million in Canada and 67.79 million in the USA, 78.57 million total). The total number who were *solicited* to join would have to be a significant multiple of this. It is not an overstatement to say that Primerica’s program of recruiting salespeople has likely touched nearly every household directly or indirectly in North America, indicative of a business that is primarily, existentially based on recruiting.

**Pyramid Scheme Evidence on Primerica: *Recruiting and Churning:***

44. Among the “red flags” indicating a potential pyramid scheme among MLM companies includes an extraordinarily high churn rate, and a massive recruiting program. Huge numbers join; huge numbers quit, month by month. A massive quitting pattern and recruiting campaign to replenish ranks are endemic to MLMs operating as pyramid schemes. Unlike Ponzi schemes which also transfer funds from new investors to earlier ones, MLM pyramids do not suddenly “collapse” due to lack of new investors. Participants join, lose – as nearly all must, based on the structure – and then quit. They are replaced by new hopefuls. As long as the scheme can continue to reconstruct its ranks, it can remain in a state of “continuous collapse” for years.

45. From Primerica’s report to the SEC, at end of 2016 it had 116,827 Licensed Sales Reps.<sup>10</sup> Over the next five years, it recruited over 1,626,669 consumers to become Licensed Sales Reps.<sup>11</sup> And, at end of 2021 it reported 129,515 License Sales Reps<sup>12</sup>. To increase the total number by (approx.) 13,000, in five years, Primerica recruited 1.62 million, or it recruited 125 to increase by 1. The recruiting program is itself a function that generates revenue for the company as each recruit pays sign-up and monthly fees. The recruiting program is driven by financial incentives of all recruits that offer far greater rewards from recruiting a downline than could be realized from personal sales.

**Pyramid Scheme Evidence on Primerica: *False, Exaggerated Income Claims or Undisclosed Averages:***

46. The basic mode of a MLM pyramid scheme is to make false or grossly exaggerated income claims and to obscure the reality of losses by withholding relevant and clear data on *actual* average payments. In this manner, recruits are misled into joining, and can be persuaded,

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<sup>9</sup> Primerica Securities and Exchange Commission Form 10-K – 2018. **Exhibit “10”**, page 76 of this affidavit; Primerica Securities and Exchange Commission Form 10-K – 2021. **Exhibit “11”**, page 78 of this affidavit.

<sup>10</sup> Primerica Securities and Exchange Commission Form 10-K – 2016. **Exhibit “6”**, page 52 of this affidavit.

<sup>11</sup> Primerica Securities and Exchange Commission Form 10-K – 2018. **Exhibit “10”**, page 76 of this affidavit; Primerica Securities and Exchange Commission Form 10-K – 2021. **Exhibit “11”**, page 78 of this affidavit.

<sup>12</sup> Primerica Securities and Exchange Commission Form 10-K – 2022. **Exhibit “7”**, page 55 of this affidavit.

despite their losing money, the opportunity was real and viable, and their loss was attributable to failures on their part, not realizing virtually all that ever joined similarly lost money.

47. Canadian recruits are officially informed by Primerica, “From January 1 through December 31, 2022, Primerica paid cash flow to its Canadian sales force at an average of \$17,141, which includes commissions paid in Canadian dollars on all lines of business to life licensed representatives.”<sup>13</sup>
48. In the USA, Primerica reports, “From January 1 through December 31, 2022 Primerica paid cash flow to sales representatives at an average of \$7,479...”<sup>14</sup>
49. To my knowledge, no other information is offered to recruits *by Primerica* on “average income”. The disclosures do not state if the “average” is mean or median. It does not explain which or how many “sales representatives” are included, the length of time they had been licensed or any detail on how much income is gained from personal sales or from overrides gained from recruiting. It does not provide information on average of income at each level, or the percentages of people at each level. It does not offer any details on what the average costs were incurred by those who were paid.
50. Canadian law requires MLM companies to disclose “(a) compensation actually received by typical participants in the plan; or (b) compensation likely to be received by typical participants in the plan.”<sup>15</sup> Factoring the enormous quitting rates at Primerica, and the initial and ongoing costs required to participate, in my opinion, the “disclosure” does not meet the requirement of revealing what the “typical” recruit is “likely” to receive.

#### **Pyramid Scheme Evidence on Primerica: *Minimal Retail Sales per Sales Rep:***

51. Another trait indicative of a pyramid scheme is a record of few personal, retail sales being made by participants. If, on average, few participants make significant retail sales, the “average income disclosure” is grossly distorted. The “average” would be skewed by the high income of those at the peak of the pyramid, which is gained not from personal “sales” but from the payments, purchases and labors of those below, who gained virtually no income or suffered net losses. The distorted average would cover over or redirect the recruit from the reality that “income” is a function of recruiting, not personal selling.
52. The lack of significant personal sales, on average, reveals that the company’s identity as a “direct selling” company is false and misleading. Consumers that sign up, in general, do not gain profit from personal, direct selling. Actual income for the sales representatives is primarily gained from recruiting other representatives. Without recruiting, the income opportunity is effectively non-existent. The enterprise should properly be defined as a recruiting-for-pay operation. Its “income opportunity” promise is its true product. And the salespeople are its main “market.”

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<sup>13</sup> Primerica: “*Important Disclosures – Canada.*” **Exhibit “8”**, page 62 of this affidavit.

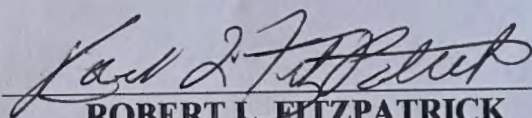
<sup>14</sup> Primerica: “*Important Disclosures – USA.*” **Exhibit “9”**, page 671 of this affidavit.

<sup>15</sup> *Competition Act*, RSC, 1985, c. C-43. **Exhibit “5”**, page 447 of this affidavit.

- 53. In its 2022 year-end report to the SEC, Primerica reported, "Average monthly rate of new policies issued per life-licensed independent sales representative" as 0.18.<sup>16</sup> This is approximately only two sales a year, an extraordinarily low figure and a sales level that could not support a viable income for the "average" sales representative.
- 54. The extremely small number of average sales calls into question the "average" income, said to be "typical" and "likely", as the law requires in Canada. Failure to report the "average" that meets the requirements for "typical" is a criminal offense in Canada, making the use of the term "criminal" in reference to Primerica, reasonable and appropriate at least speculatively.
- 55. I was not physically present before the commissioner, but was linked with the commissioner using video conferencing technology in accordance with the process described in Court of King's Bench of Alberta's Notice to the Profession and Public dated March 25, 2020 (NPP#2020-02).

SWORN BEFORE ME in the City of )  
 Edmonton, Province of Alberta this 20th )  
 day of November, 2023. )

\_\_\_\_\_ )

  
 \_\_\_\_\_  
**ROBERT L. FITZPATRICK**

- 53. In its 2022 year-end report to the SEC, Primerica reported, “Average monthly rate of new policies issued per life-licensed independent sales representative” as 0.18.<sup>16</sup> This is approximately only two sales a year, an extraordinarily low figure and a sales level that could not support a viable income for the “average” sales representative.
- 54. The extremely small number of average sales calls into question the “average” income, said to be “typical” and “likely”, as the law requires in Canada. Failure to report the “average” that meets the requirements for “typical” is a criminal offense in Canada, making the use of the term “criminal” in reference to Primerica, reasonable and appropriate at least speculatively.
- 55. I was not physically present before the commissioner, but was linked with the commissioner using video conferencing technology in accordance with the process described in Court of King’s Bench of Alberta’s Notice to the Profession and Public dated March 25, 2020 (NPP#2020-02).

SWORN BEFORE ME in the City of )  
 Edmonton, Province of Alberta this 28 )  
 day of November, 2023. )

  
 \_\_\_\_\_ )

\_\_\_\_\_  
**ROBERT L. FITZPATRICK**

**DEVYN TAYLOR ENS**  
 A Commissioner for Oaths  
 in and for Alberta  
 My Commission Expires January 1, 2024  
 Appointee # 0761114

<sup>16</sup> Primerica Securities and Exchange Commission Form 10-K – 2022. Exhibit “7”, page 56 of this affidavit.



**REMOTE COMMISSIONING CERTIFICATE**

CANADA

PROVINCE OF ALBERTA

I, DEVYN TAYLOR ENS, a Commissioner for Oaths in and for Alberta, DO HEREBY CERTIFY that:

- 1 The process for remote commissioning of affidavits specified in Notice to the Profession and Public NPP#2020-02 dated March 25, 2020 (the "Process") has been followed for the attached affidavit; and
- 2 I am satisfied that the Process was necessary because it was impossible or unsafe, for medical reasons, for the deponent and me to be physically present together.

DATED at Edmonton, Alberta this 28<sup>th</sup> day of November, 2023.



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Devyn Taylor Ens  
A Commissioner for  
Oaths in and for Alberta

**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114

This is Exhibit "1" referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114



**Robert L. FitzPatrick**  
**339 NW US 25/70, Hot Springs, NC 28743**  
**Tel/Text: 704-334-2047**  
**Email: [rfitzpatrick@pyramidschemealert.org](mailto:rfitzpatrick@pyramidschemealert.org)**  
**Skype: robertfitzpatrick**  
**Twitter: @pyramidalert**

Robert L. FitzPatrick is an expert in examining and revealing deception and fraud in Ponzi schemes, pyramid schemes and bogus home-based businesses operating as direct selling. He is an author and internationally recognized authority on multi-level marketing (MLM) business model and pyramid sales fraud.

He is the author of three books on the subject of multi-level marketing and pyramid schemes: *Ponzinomics, the Untold Story of Multi-Level Marketing*, *Direct Selling, a Nonfiction Fable*, and *False Profits*, with co-author, Joyce K, Reynolds. In 2022, *Ponzinomics* was featured on the new show, IA on National Public Radio.

Robert FitzPatrick has been interviewed for his insights on MLM on *NBC Dateline* and *ABC World News*. He was interviewed by the late Mike Wallace on *CBS 60 Minutes*. He has been interviewed live on *NBC Today* show, Canada's CBC National News, Christian Broadcasting Network, and on BBC radio news programs aired in the UK. In 2016, he was featured as an expert in the film documentary, *Betting on Zero* and the November 2016 segment of the HBO show, *Last Week Tonight with John Oliver*, which has attracted 34 million views on Youtube. In 2018, he was featured expert and narrator on the history of the multi-level marketing phenomenon on the podcast, *The Dream* and the Amazon miniseries, *LuLaRich*. He was quoted and referenced in the 2015 radio documentary show, aired on NPR stations, *This American Life*. He has also been featured on news documentaries in Russia and South Africa. His views have been cited and quoted in magazine feature articles on multi-level marketing including *Rolling Stone*, *Fortune* and *Mother Jones* and in many newspapers around the world, including the *New York Times*, *Sunday Times of London* and *Wall Street Journal*.

In June 2005, Robert FitzPatrick was invited by the Central Bank of Sri Lanka to address banking representatives from that country as well as India, Bangladesh, Bhutan, Maldives and Nepal in Sri Lanka's capital, Colombo. The presentation was later published as part of a consumer education campaign against pyramid and Ponzi schemes.

Robert FitzPatrick was a featured speaker at the 2006 annual meeting in San Francisco of the Association of Certified Fraud Specialists and the 2003 of the National Association of Consumer Protection Investigators.

He has served as consultant and expert witness for Attorney General or State Attorney offices in four states, the US Dept. of Justice, and in numerous cases involving distributor fraud and pyramid schemes. He is a current member of the GLC Research, a network of academics, scientists, industry practitioners, and other professionals worldwide who are referred to clients for consultation, speaking and report writing. He is also a listed expert and has provided services to clients of expert networks, Vista Research, Inc., and Coleman Research Group.

Robert FitzPatrick founded and serves as president of *Pyramid Scheme Alert*, a non-profit, that provides an advertising-free consumer education website focused on pyramid scheme fraud. PSA is non-profit, non-commercial, non-partisan and all-volunteer. The PSA website, <http://www.pyramidschemealert.org>, is visited each month by thousands of consumers, regulators and journalists worldwide. He personally responds to hundreds of consumer and news media inquiries.

Robert FitzPatrick's expertise in multi-level marketing and identifying fraudulent companies that utilize home-based independent distributorships rests upon an earlier 20-year career as trade-journal publisher, trade association manager and strategic consultant in several industries, including printing, digital imaging, office products and food processing equipment in which independent distributors serve as the primary channel to market. For more than a decade, he provided strategic guidance and executive coaching in the field of manufacturer/distributor relationships, compensation plan, retention and attrition, exclusivity, territory management and other factors in which trust, integrity and sensitive communications are critical to the business. His corporate client list includes Fujifilm, DuPont, Epson, and many others. He was a featured speaker at industry conference in the USA, Canada, Belgium, Mexico and UK.

Deeply held convictions and values of fairness, trust, equity, and integrity drive Robert FitzPatrick's work. His expertise, insights and business experience are founded upon and B.A. and graduate studies in Sociology.

Robert FitzPatrick lives with his wife, Terry Thirion, a professional artist and gallery owner, in Hot Springs NC.

**Education:**

Bachelor of Arts Degree in Sociology, Belmont Abbey College, Belmont, North Carolina, 1968  
Graduate Studies in Sociology, University Of Georgia, Athens, Georgia, 1969

**Contributing Experience:****Newspaper Reporter, 1969-70**

Cub reporter for metropolitan Charlotte, NC daily paper, *The Charlotte News*

**Community Organizing 1970-76:**

In metropolitan Charlotte, NC, organized community associations, senior citizen organizations, and taxpayer related groups focused on school construction, park development, mass transit, residential zoning, road construction, and other quality of life issues. Funding of work came from Ford Foundation, Charlotte Area Fund, a federal/state funded anti-poverty agency, and independent non-profit association and training from the Industrial Areas Foundation, founded by Saul D. Alinsky.

**Direct Sales, 1977-1979**

Books sales and yellow page advertising sales in the home and business. Direct selling in which the basics of "door approach", "overcoming objections", and "closing" along with the tricks of the trade, legal and otherwise, were taught.

**Writer/Editor, 1979-1981**

Free lance public relations writing for ad agencies and PR firms and served as writer/editor of *Dealer Communicator*, a national trade journal addressed to independent distributors.

**Writer/Publisher, 1981-2007**

Established and published THE EAGLE, quarterly journal on trends in distribution in the graphic arts and digital imaging industries.

**Distributor Trade Association Management, 1982 -1988**

Organized and managed three trade associations.

- National Graphic Arts Dealers Association, a trade organization of 200 manufacturers and distributors with aggregate sales of \$4 billion.
- Executive Director of Florida Solar Energy Industry Association, 150 member trade organization of manufacturers, distributors, utility companies, university professors and research organizations in the solar energy industry based in Florida.
- Executive Director of the National Association of Blanket Converters, a trade organization of converters and distributors in the printing industry.

**Consultant, Industry Analyst, Public Speaker, Conference Organizer, 1988 to 2007**

Provide direct consulting in distribution channel strategy and strategic planning to manufacturers and distributors in various industries; keynote speaker at national meetings and business conferences. Organized and promoted international conferences of distributors and manufacturers in graphic arts field in the US, Europe and Mexico.

**Current Positions:****Author/Researcher/Publisher:**

*Book, booklets, articles, essays, web-based presentations related to pyramid and Ponzi schemes, their structure, operation, deception, disguises, financial harm to consumers and investors, political influence-buying with governments, tactics to escape regulation or investigation and their harmful personal, social and national consequences.*

**Consultant/Expert Witness**

*Expert Witness testifying in federal and state courts in the United States in civil, criminal and class action cases involving pyramid and Ponzi scheme fraud. Consultant to law firms, governmental regulators, private investigative agencies, insurance companies and securities analysts providing research and expertise in matters of direct selling, multi-level marketing and pyramid and Ponzi scheme fraud.*

**Speaker/Interviewee/ Podcast Presenter:**

*Presentation revealing and explaining the workings and disguises of pyramid scheme fraud, the status and limitations of law enforcement, and how the inherent values of the pyramid and Ponzi schemes are influencing popular culture, mainstream business and community life.*

**Catalyst/Advocate**

*Founder of international campaign to combat fraud in the direct selling industry and multi-level marketing business and to provide understandable and authoritative information to consumers worldwide on pyramid scheme fraud.*

**President/Owner:**

FitzPatrick Management Incorporated: Consulting, Publishing

**President/Founder/Co-Director**

*Pyramid Scheme Alert, <http://www.PyramidSchemeAlert.org>, a non-profit, non-partisan and all-volunteer consumer advocacy and educational resource for exposing, studying and preventing pyramid schemes.*

## Court Cases in which Robert L. Fitzpatrick Provided Expert Witness/Consulting

**Chuanjie Yang, an individual; Ollie Lan aka Ruoning Lan, an individual; Liu Liu, an individual, and all those similarly situated, Plaintiffs, v. Market America, Inc., a North Carolina Corporation; Market America Worldwide, Inc., a North Carolina Corporation; James Howard Ridinger, an Individual; Loren Ridinger, an Individual; Marc Ashley, An Individual; And Does 1-100, Defendants, Case No. CV 17-cv-04012-GW(JEM), United States District Court, Central District of California – Western Division,**

*A class action suit brought against a large multi-level marketing company, Market America, in 2017. Plaintiffs sue for themselves and for all persons who were Market America participants from 2010 until the present under California's Endless Chain Scheme Law (California's Penal Code § 327 and California Civil Code § 1689.2), California's Unfair Competition Law (Business and Professions Code §17200 et seq.), False Advertising Law (Business and Professions Code §17500), and Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. § 1961 et seq. against all defendants for the operation and promotion of an inherently fraudulent endless chain scheme. <sup>SEP</sup> Robert FitzPatrick currently retained. Has examined relevant documents, advised attorney on interrogatory questions and prepared and submitted declaration on behalf of class status.*

*Attorney:*

Blake J. Lindemann, Esq.  
433 N. Camden Drive, 4th Floor  
Beverly Hills, CA 90210  
Telephone: 310-279-5269  
blake@lawbl.com

**Khai Huynh, Plaintiff, v. Ngoc Trang Huynh A/K/A Johnny Huyhn, Samurai Autobody LLC, Defendant, Cause No. 2015-62335 in the District Court of Harris County, Texas, 34<sup>th</sup> Judicial District.**

*Robert FitzPatrick retained as expert in February, 2017. Suit involved claims of defamation resulting in reduced income from a higher level representative of the multi-level marketing company, Seacret, against lower level representatives. Report by FitzPatrick explained the basic characteristics of the company's business model, revenue streams, financial fate of average representative, effects of attrition and predictable rises and falls of upline income based on recruiting and the revenue trends of the company.*

*Attorney:*

Robert J. Kruckemeyer,  
919 Milam Street Suite 1700  
Houston, TX 77002  
(713) 860-0547  
bob@kruckemeyerlaw.com

**In re Record Company Infringement Litigation, 6:15-cv-708-RBD-DCI (M.D.Fla., Ori. Div.)**

*A complex litigation involving claims and counter-claims between the multi-level marketing company, Amway and some of its larger distributors and various record companies regarding violations of copyrighted music in their use in MLM promotions and recruiting. Robert FitzPatrick was retained by attorneys for the record companies to render an opinion and written report on the purpose and value of the use of the recordings in the context of the multi-level marketing business. Work involved reading and critiquing report by Amway's retained expert. Case was settled in January, 2017. All documents, records and reports are sealed.*

*Attorney:*

Richard B. Sheldon, Partner  
Mitchell Silberberg & Knupp LLP  
11377 W. Olympic Blvd.  
Los Angeles, CA 90064

**Yvonne Day and Leonard Haslag and James McCormick and John W. Turner, on Behalf of Themselves and Others Similarly Situated, Plaintiffs, vs. Fortune High Tech Marketing, Defendant, Case: 5:10-CV-00305-GFVT-REW, United States District Court for the Eastern District of Kentucky At Lexington**

*An action brought on behalf of a national class of independent representatives for the defendant, Fortune High Tech Marketing, a multi-level marketing company, and its top promoters, in which Robert FitzPatrick was retained in 2015 to prepare a report expressing his professional opinion on whether or not the company was an illegal pyramid scheme. The report concluded that this multi-level marketing company was a disguised pyramid scheme based on an analysis of its structure, compensation plan, rules, policies and documented loss rates of participants, among other facts.*

*Attorneys:*

R. Kenyon Meyer and Stephen J. Mattingly  
Dinsmore & Shohl LLP  
101 South Fifth Street Suite 2500  
Louisville, KY 40202

**Lloyd E. Enke, Plaintiff, vs. Lifewave, Inc. et al., Defendants, Superior Court of California, County of San Diego, Filed 10-06-2014**

*Suit filed by an individual against a large multi-level marketing company alleging violation of California's Penal Code Section 327 (endless chain), Fraud Violation of Business and Professional Code, Sections 17200, 17500 and 17505. Robert FitzPatrick retained in 2015 as consultant and possible expert witness in support of claims that LifeWave operates in violation of California's anti-endless chain statute (pyramid scheme). Deposition of Robert FitzPatrick by defendant's attorney in San Diego, CA, February 14, 2017.*

*Attorney:*

Dennis M. Wilson  
Wilson Law Firm  
1120 Iron Point Road, Suite 100  
Folsom, CA 95630

**Juan Ramon Torres and Eugene Robison, Plaintiffs, vs. SGE Management, LLC; Stream Gas & Electric, Ltd.; Stream SPE GP, LLC; Stream SPE, Ltd.; Ignite Holdings, Ltd; Chris Domhoff; Rob Snyder; Pierre Koshakji; Douglas Witt; Steve Flores; Michael Tacker; Donny Anderson; Trey Dyer; Steve Fisher; Randy Hedge; Brian Lucia; Logan Stout; Presley Swagerty et al. , Civil Action No. 4:09-cv-2056, United States District Court for the Southern District of Texas Houston Division**

*Robert FitzPatrick retained as consultant in class action lawsuit brought on behalf of distributors of the multi-level marketing company, Stream/Ignite, which resells gas and electricity in various states. Plaintiffs allege pyramid fraud and racketeering. Retained to examine business model, marketing claims and compensation plan and to assist in discovery and depositions.*

*Attorney:*

Scott Clearman  
Clearman Prebeg LLP  
815 Walker, Suite 1040  
Houston, TX 77002

**Defense of MP Productions in connection with Rick Setzer v. Dexter Yager, Birdie Yager, Et Al, Case File No. 07-CA-3636**

*Robert FitzPatrick retained by attorneys for the insurance carrier, Mid-Continent Group, of MP Productions, Inc. an event planning and equipment rental company, based in Little Rock, AR. MP Productions was sued by Rick Setzer, an upper level distributor of the multi-level marketing company, Amway, in connection with a physical injury he claimed to have suffered from an accidental fall during an Amway-related recruitment event. The defendant was sued along with others, including the plaintiff's "upline" for compensation he claimed he could have earned, but lost, due to the injury. Robert FitzPatrick was retained to aid attorneys for the defendant, MP Productions, in understanding the Amway business, the true sources of income of its "Diamond" level distributors, the factors affecting their income, the nature of their work, and the actual financial plight of those recruited by Amway's "Diamonds."*

*No testimony or written report given. Case settled. FitzPatrick provided direct consulting to the attorney representing MP Productions, a company with no ties to Amway or its distributors or to the multi-level marketing industry, but was a provider of physical services in an Amway-related event.*

*Attorney:*

Rodney C. Lundy, rlundy@conroysimberg.com

Conroy, Simberg, Ganon, Krevans, Abel, Lurvey, Morrow & Schefer, P. A.

Two South Orange Ave., Suite 300

Orlando, FL 32801

**Defense of Keith Engler, D.C. in connection with Gregory Howard and Patricia Howard v. Keith J. Engler, D.C. and Atlantic Wellness Center, Inc., Case No. 2007-2036-CINS, Circuit Court of the 7<sup>th</sup> Judicial Circuit in Volusia County, Florida, Civil Division**

*Robert FitzPatrick retained by attorneys for the defendant, a chiropractor, Keith Engler who had been sued by Greg Howard, an upper level distributor of the multi-level marketing company, Amway. Engler was sued by Howard, in connection with a physical pain and injury Howard claimed he had suffered following a chiropractic treatment he received from the defendant, Engler. The defendant was sued for compensation that Amway distributor Howard claimed he could have earned, but lost, due to the injury. Robert FitzPatrick was retained to aid attorneys for the defendant, in understanding the Amway business, the true sources of income of its "Diamond" level distributors, the factors affecting their income, the nature of their work, and the actual financial plight of those recruited by Amway's "Diamonds."*

*No testimony or written report given. Case settled. FitzPatrick provided direct consulting to the attorney representing Dr. Keith Engler, a chiropractic physician with no ties to Amway or its distributors or to the multi-level marketing industry.*

*Attorney:*

Michael R. Lowe, mlowe@lowehealthlaw.com

Michael R. Lowe, P.A.

2180 West S.R. 434, Suite 1124

Longwood, FL 32779

**Dawn Minton, Individually, On Behalf of Herself and All Others Similarly Situated, Plaintiff, Vs. Herbalife International, Inc., Herbalife International of America, Inc., Freedom Lifestyles, Inc., D/B/A/ The Freedom Group, Freedom Lifestyles Group, Inc, et al, Defendants. Case No. BC338305, Superior Court of the State of California for the City and County of Los Angeles**

*Class Action Lawsuit Filed on Behalf Of Distributors for Herbalife Alleging Fraud and Deceit; Violations of Endless Chain Scheme, California Penal Code § 327; Violations of California Seller Assisted Marketing Plan Law, California Civil Code § 1812.200, Unlawful Business Practices in Violation of Business And Proessions Code § 17200. Robert FitzPatrick retained to examine Herbalife business model, marketing practices, compensation plan, the role of "lead generation systems" schemes working in affiliation with Herbalife, and financial consequences for consumer who invest in the Herbalife "business opportunity."*

*Attorney:*

Douglas M. Brooks

Attorney at Law

258 Harvard Street, No. 301

Brookline, MA 02446

(781) 424-6737

dmbrooks@brooks-law.ne



**Myron Lieberman, individually and as Co-Trustee of the Lieberman Family Trust, and Arlene Lieberman, individually and as Co-Trustee of the Lieberman Family Trust, Plaintiffs, vs. Aron Abecassis, et al, Defendants. NO. SC102890, Superior Court of the State of California County of Los Angeles**

*Robert FitzPatrick retained by plaintiff as expert in Ponzi and pyramid schemes to offer analysis and opinion about the potential operation of Ponzi money transfers in disputed transactions involving real estate properties and other investments. FitzPatrick retained as consultant to plaintiff to examine documents, explain characteristics and workings of Ponzi schemes. No written report, no deposition or testimony.*

*Attorney:*

Michele Seltzer, michele@lurieparklaw.com  
 Stephen Weaver, stephen@lurieparklaw.com  
 Lurie & Park  
 11766 Wilshire Boulevard, 7th Floor  
 Los Angeles, California 90025-6538

**Cheryl Rhodes and Kerry Murphy, Plaintiffs, v. Compagnie Amway Canada, Amway Global, Proposed Class Proceeding Case No T-1754-09, Federal Court, Montreal, Canada**

*Plaintiff, consumers who invested in the Amway business opportunity as class representatives. Defendant, Amway Canada and Amway Global, the largest multi-level marketing company in the world. Suit charges Amway with deception, harm and perpetration of pyramid scheme. Robert FitzPatrick retained to reveal and explain pyramid model and to examine income claims.*

*Attorney:*

André Lespérance  
 Lauzon Bélanger Inc.  
 286 Saint-Paul West, Suite 100  
 Montréal (Québec H2Y 2A3  
 E-mail: alesperance@lauzonbelanger.qc.ca

**Jacob Sudhoff and Sudhoff Properties, Plaintiffs, v. Southcoast Realty, L.L.C., D/B/A Keller Williams, Coastal Ben, Wendi Harrelson, Keller Williams Realty, Inc., Mark Willis, and Keller Willis San Antonio, Ltd. F/K/A Keller Willis San Antonio, Inc. and Gary Keller, Defendants. Cause N. 08-274-B in the 117<sup>th</sup> Judicial District of Nueces County, Texas.**

*Plaintiff, a large independent real estate broker in Corpus Christi, Texas charges real estate franchisor, Keller Williams, with fraud, securities fraud and the perpetration of a pyramid scheme in its recruitment program and “profit sharing” plan for sales agents. Retained by attorney for plaintiff to offer expert opinion on profit sharing plan, pyramid scheme promotion and deceptive and manipulative tactics used in recruitment.*

*Attorney:*

Andrew M. Greenwell  
 HARRIS & GREENWELL, L.L.P.  
 615 N. Upper Broadway, Suite 1700  
 Corpus Christi, TX 78477  
 agreenwell@harris-greenwell.com

**Jeff Pokorny and Larry Blenn on behalf of themselves and those similarly situated, Plaintiffs, v. Quixtar, Inc., James Ron Puryear, Georgia Lee Puryear and World Wide Group, L.L.C; Britt Worldwide L.L.C., American Multimedia Inc., Britt Management, Inc. Bill Britt and Peggy Britt, Defendants, Case No. C 07 0201, United State District Court, Northern District of California, Class Action**

*Class action lawsuit against Quixtar, formerly known as Amway, the largest multi-level marketing company in the world. The complaint and demand for jury trial charges Quixtar et al. with fraud, operating a pyramid scheme and RICO violations. Retained by plaintiffs as consultant and possibly as expert witness in presenting facts and analysis regarding the charges of fraud and pyramid scheme operation. In November 2010, Amway Corp. agreed to pay \$55 million in direct economic relief and modify its business practices and contracts.*

*Attorneys:*

Stuart H. Singer  
 Carlos M. Sires  
 BOIES, SCHILLER & FLEXNER L.L.P.  
 401 East Las Olas Blvd. Suite 1200  
 Fort Lauderdale, FL 33301

**Sharon Saunders, et al, Plaintiffs, vs. Detective Cynthia Knight, et al, Defendants, Case No. CIVF045924, REC LJO, United States District Court, Eastern District of California**

*Retained as consultant and expert witness by the Fresno County Counsel on behalf of the Defendant, Fresno County and various peace officers. Case involved charges brought against a Fresno County Detective and other peace officers by an individual who claimed she was wrongfully charged and harmed in connection with a pyramid scheme prosecution. Fresno County sought to enforce the California state statute on endless chain schemes, Penal Code 327, against this person regarding a multi-level marketing scheme called Constitutional Colleagues in Granite.*

*Attorney:*

Bruce B. Johnson  
Senior Deputy County Counsel  
THE COUNTY OF FRESNO  
220 Tulane St., Suite 500  
Fresno CA 93721 USA

**Richard Bach, et al., Plaintiffs, v. Forever Living Products U.S., Inc., a Nevada corporation; et al. Case No. C05-0970P, United States District Court Western District of Washington at Seattle.**

*Plaintiff Richard Bach, the famed author of the book Jonathan Livingston Seagull, charged the multi-level marketing company, Forever Living Products and its founder Rex Maughn with copyright infringement in using the book's logo and narrative and the author's name in the promotion of its business.*

*Retained as consultant and expert witness in explaining the economic value to this company of using the Jonathan Livingston Seagull logo and narrative in its multi-level marketing recruitment program. Case settled before trial or depositions.*

*Attorney:*

Matt Geyman  
Phillips Law Group, PLLC  
315 Fifth Avenue South, Suite 1000  
Seattle, WA 98104-2682  
Tel (206) 382-1168, Email: mgeyman@jphillipslaw.com

**Advantage Conferences LLC vs. Better Business Bureau of Metropolitan Dallas, Inc., et al., Case No. 05-11461 in the Judicial District Court of Dallas County, Texas**

*Retained as Consultant and Expert Witness by the Defendant, BBB of Metro Dallas. Plaintiff, Advantage Conferences, a multi-level marketing company, sued the Better Business Bureau for damages due to the BBB's questioning whether the company was a pyramid scheme and withholding membership pending investigation and responses from the MLM company. Provided consulting service to attorneys in defining a pyramid scheme and understanding the MLM business model and Advantage Conference's "Aussie 2-Up" pay plan. Case was dismissed before trial or depositions.*

*Attorney:*

David C. Myers  
JACKSON WALKER LLP  
901 Main St. Suite 600  
Dallas, TX 75202  
Tel. 214-953-6036, Email: dmyers@jw.com

**State of Florida v. James Phipps, Larry B. Grover, Case No.: 03-5603**

*Case brought by the Florida State Attorney, First Judicial Circuit, involving pyramid marketing scheme called Life Without Debt. Currently retained as consultant and expert witness. Consultation provided. No report or testimony given.*

*Attorney:*

Rusell G. Edgar  
Assistant State Attorney  
State Attorney, First Judicial Circuit of Florida  
P. O. Box 12626, Pensacola, FL 32591

**United States of America vs. Stanley H. Van Etten, Claude William Savage, John David Brothers, Davin Walter Brown in United States District Court: Eastern District Of North Carolina: Western Division**  
*Criminal indictments against the founders and operators of the multi-level marketing company, International Heritage, Inc. for mail, wire and securities fraud. Robert L. FitzPatrick listed by US Attorney as expert in pyramid schemes and multi-level marketing. Consultation provided. No testimony or report provided. Stanley Van Etten was subsequently found guilty by a jury and sentenced to 10 years in prison.*

*Attorney:*

Gaston Williams, U. S. Attorney  
US Dept. of Justice  
310 New Bern Ave. #800  
Raleigh, NC 27601 USA

**Kelley Reaveley, individually and on behalf of the Estate of Clyde David Reaveley, Plaintiffs, vs. Avex, Inc. et al., Defendants, Case Number CIV 219595, Superior Court of California, County of Ventura.**

*2004 civil action requiring investigation and insight into the extensive multi-level marketing activities of Plaintiff regarding claims of lost income. Robert L. FitzPatrick was retained by the Defendants for expertise in the multi-level marketing field concerning claims of income past and projected, estimated costs of operation, and explanation of the nature of business. Case was settled.*

*Attorney:*

Peter Kirchen  
Kern and Wooley LLP  
10900 Wilshire Blvd., 11th Floor  
Los Angeles, CA 90024  
Email: pkirchen@kernwooley.com

**State of Tennessee, Plaintiff, v. Keith Dyer, individually and d/b/a GICO and PHASE 7; James Neely, et al., Defendants, in the Circuit Court of Davidson County, Tennessee, for the Twentieth Judicial District at Nashville, No. 04C-3390**

*Retained by Tennessee Attorney General's office as consultant in August 2004 to analyze elements of pyramid scheme and methods of deception in this Business Opportunity/ Envelope Stuffing scheme. State reached settlement with promoters in 2005 resulting in shutting down the scheme.*

*Attorney:*

Meredith DeVault, Senior Counsel  
Tennessee Attorney General's Office  
P. O. Box 20207  
Nashville, TN 37202

**State of Tennessee, Petitioner, v. Daniel J. Gleason, Individually and d/b/a Tax Toolbox Inc., My TaxMan, Inc., MTM Franchising, Inc., Respondents, , in the Circuit Court of Davidson County, Tennessee, for the Twentieth Judicial District at Nashville, No. 05C-2237**

*Retained by Tennessee Attorney General's office as consultant on pyramid schemes and methods of deception in recruitment campaign. Consultation provided. No written report or testimony. Settlement reached in July 2005. Gleason agreed to stop misrepresenting himself as an attorney and to refrain from recruiting people into the alleged pyramid marketing operation. Gleason agreed pay the State civil penalties totaling \$50,000 plus six percent interest over the next five years.*

*Attorney:*

Meredith DeVault, Senior Counsel  
Tennessee Attorney General's Office  
P. O. Box 20207  
Nashville, TN 37202

**Nancy Jacobs, Individually on behalf of herself and all others similarly situated, and on behalf of the General Public, Plaintiff, vs. Herbalife International, Inc., Herbalife International of America, Inc., Dream Builders & Associates International, Inc., et. al.**

*Class Action Complaint, Feb. 15, 2002 filed before the United States District Court for the Central District of California Los Angeles Division. Retained by plaintiffs as consultant/expert witness in defining a pyramid scheme, analyzing pay plans and recruitment tactics. Case settled with Herbalife and major distributors paying victims approximately \$6 million in restitution.*

*Attorney:*

Douglas M. Brooks  
Attorney at Law  
258 Harvard Street, No. 301  
Brookline, MA 02446  
(781) 424-6737  
dmbrooks@brooks-law.ne

**Lance and Roxanne Shoen, et al v. Ralph Oats and Wellness International Network, Ltd., in the United States District Court for the Eastern District, Texarkana Division, Civil Action No. 5-02-CV-045**

*Suit filed on May 21, 2002, by distributors for multi-level marketing company. Plaintiffs charge the company deceived and misled them regarding operating costs, potential income, source of funds, and that the company operated in violation of state statute against pyramid promotional schemes.*

*Retained as consulting expert to assist plaintiffs' attorneys on the workings of pyramid schemes and multi-level marketing companies. Case settled before going to trial.*

*Attorney:*

Hugh G. Connor II, Megan Cooley  
Kelly, Hart & Hallman, P.C.  
201 Main Street, Suite 2500  
Fort Worth, TX 76102  
Tel. 817-332-2500, Email: Megan\_Cooley@khh.com

**Alcon v. Nikken, Inc., et Al., Orange County (CA Superior Court No. 01-CC-00158**

*Class action suit filed in December 2001, on behalf of "Independent Distributors" of "Advanced Wellness" and other products sold through the Nikken, Inc. ("Nikken" and Team Diamond, Inc. ("Team Diamond". Plaintiff alleges that Nikken and Team Diamond operate and maintain an unlawful pyramid sales scheme.*

*Retained by plaintiffs as consultant/expert witness in defining a pyramid scheme, analyzing pay plans and recruitment tactics. Case settled privately without class action certification.*

*Attorney:*

Michael W Sobol  
Lief Cabraser Heimann & Bernstein, LLP  
Embarcadero Center West, 275 Battery Street, Suite 3000  
San Francisco, CA 94111-3339  
Email: msobol@lchb.com

**State, ex rel v. Michael C. Cooper, et. al., Shawnee County, Kansas.  
Case No. 00 C 1394, Judge Richard D. Andersen**

*Retained as Expert Witness by Attorney General's office of State of Kansas in prosecution of multi-level marketing company, Renaissance, The Tax People (RTTP. Testified before Judge Richard D. Anderson on February 16, 2001, in Hearing for continuing an injunction against RTTP's operation in the state of Kansas. Judge subsequently ruled that the company was an illegal pyramid scheme. Testimony concerned explanation of how compensation operated, mathematical payout and recruitment projections, inherent deception of marketing materials and revelation of income to upper levels and bottom levels of pyramid sales structure.*

*Attorney*

Rex Beasley  
Assistant Attorney General  
Office of the Attorney General, Consumer Protection & Antitrust Division  
120 SW 10th Ave. 4th Fl.  
Topeka, KS 66612-1597 USA

**Toni Brayer, MD, Plaintiff, vs. Betty Kamen, Natural EFX et al., defendants, Case No 174324, Superior Court of the state of California for the county of Marin**

*Retained in 2000 by attorneys for Dr. Toni Brayer; provided consulting services to attorneys in understanding workings of MLM.*

**Attorneys:**

Harold E. Kahn and Michael K. Woo  
Law Offices of Harold E. Kahn  
33 New Montgomery, Suite 1400  
San Francisco, CA 94105 USA  
Email: mkwlaw@earthlink.net

**James Holten, et al. vs. Melaleuca, Inc. et al., 280th Judicial District Court , Harris County, Texas , Case No. 98-32351**

*Retained as Expert Witness to testify regarding charges by plaintiff of fraud and deception by Melaleuca, a multi-level marketing company, regarding sales rep and customer "retention." Deposition Given October 21, 1999, Testimony at trial on February 22, 2000 in Houston*

**Attorney:**

Brock C. Akers  
Michael Phillips Law  
7500 San Felipe, Suite 600  
Houston, TX 77063 Tel. (713) 858-5262

**Natalie Capone, Plaintiff, on behalf of herself and all others similarly situated vs. NuSkin Canada, Inc., NuSkin International, Blake Roney, Clara McDermott and Richard Kall, Case No. 93-C-285S, United States District Court, District of Utah Central Division**

*Retained in 1999 to provide written report and testify in upcoming trial in this class action case. Case was settled prior to trial with NuSkin paying plaintiffs an undisclosed amount before giving deposition, providing report or testifying.*

**Attorney:**

Douglas M. Brooks  
258 Harvard Street, No. 301  
Brookline, MA 02446  
(781) 424-6737  
dmbrooks@brooks-law.ne

**Ikon Office Solutions, Plaintiff vs. Washington Printing Supplies, Defendant, Civil Action No. 1: CV-99-2017, Judge Sylvia H. Rambo, US District Court for the Middle District of Pennsylvania, 228 Walnut St., Harrisburg, PA 17108**

*Retained by Defendant to offer testimony regarding how wholesale distribution operates, customary business practices, etc. Provided sworn testimony in front of Judge Sylvia H. Rambo at Hearing, December 13-14, 1999.*

**Attorney:**

Steven A. Mandell, Esq.  
The Mandell Law Firm  
8133 Leesburg Pike, #630, Vienna VA 22182-2706

**Arista, et al. (plaintiff v. Amway Corporation et al., Case No. 96-175-CV-ORL-18, Judge G. Kendall Sharp, Magistrate David A. Baker**

Sworn testimony offered in front of Federal judge at Evidentiary Hearing, June 12, 1997

*Retained by Recording Industry Association of America to testify regarding workings of MLM recruiting, marketing, tactics, etc. Suit was settled with Amway agreeing to pay \$9 million for unauthorized use of copyrighted recordings in its recruitment program.*

**Attorneys:**

Karen L. Stetson  
P. O. Box 2731  
Karen L. Stetson  
2350 Prairie Ave.  
Miami Beach, FL 33140

Russell Frackman  
Attorney at Law  
Mitchell, Silberberg & Knupp  
11377 West Olympic Blvd.  
Los Angeles, CA 90064-1683

Steve B. Fabrizio  
VP, Anti-Piracy, Civil Litigation  
Recording Industry Assoc Of America  
1330 Connecticut Ave. NW, Ste. 300  
Washington, DC 20036

### **Books and Booklets**

*False Profits: Seeking Financial and Spiritual Deliverance in Pyramid Schemes and Multi-Level Marketing* (ISBN), 1997, trade paperback and e-book available on Amazon.com

*Ponzinomics, the Untold Story of Multi-Level Marketing, 2021* trade paperback, e-book, and audio, available on Amazon.com and Audible.com

*Direct Selling, a Nonfiction Fable, 2023*, trade paperback and e-book, available on Amazon.com

*Consumer Survival: An Encyclopedia of Consumer Rights, Safety, and Protection, ©2014 ABC-CLIO, LLC, Santa Barbara, CA.* This two-volume reference book, available in libraries and schools covers most major topics of consumer protection. Robert L. FitzPatrick was invited by the editors to write the chapter, "Multilevel Marketing and Pyramid Plans." The chapter is a 5,000 word comprehensive overview on distinguishing pyramids from Ponzis, the problems of detecting pyramid fraud, identifying common types of pyramids and ponzis, the mathematical flaws of "endless" and "exponentially expanding" sales chains, and a list of recommendations on how to identify and avoid pyramids.

*Pyramid Nation, The Growth, Acceptance and Legalization of Pyramid Schemes in America, 2002* (booklet).

*The Myth of MLM Income Opportunity* - booklet providing statistical documentation of average financial gains or losses by consumers based on data from twelve major multi-level marketing companies.

*The Case for Reopening the Amway Pyramid Scheme Case, an Inquiry into the Legality of Multi-Level Marketing, 1999* (booklet).

*The Main Street Bubble* - booklet providing documentation on the extensive political contributions and lobbying by multi-level marketing industry in America and movement of some government officials between regulatory positions to positions in the multi-level marketing industry which they had overseen.

*Combating Pyramid Schemes and Multi-Level Marketing* - booklet published by the Centre of Banking Studies, Sri Lanka.

*What Is This Thing Called Multi-Level Marketing?*, a statistical examination aggregating the payout records of three of the largest multi-level marketing companies in America and examining the nature of the enterprises based on claims, data and practices, available by request from the website of Pyramid Scheme Alert.

### **Articles:**

*Multilevel Marketing and Pyramid Schemes* by Robert L. FitzPatrick, in the two-volume "Consumer Survival, An Encyclopedia Consumer Rights, Safety and Protection", Vol. 2, pp 625-637, published by ABC-CLIO, Santa Barbara, CA, 2014, Wendy Reiboldt and Melanie Horn Mallers, Editors

*The Non-Retail "Direct Selling" Company* published in *Marketing MasterMind*, a monthly publication of the Institute of Chartered Financial Analysts, a division of ICFAI University, Bangalore, India.

*The Pyramid Scheme, a Devastating Con* -- published in the January, 2001 edition of *Ethics in Economics*, the journal of the Council for Ethics in Economics, Columbus, OH

*10 Big Lies of Multi-Level Marketing* -- published in the January, 2004 edition of *Marketing MasterMind*. It has also been published on Internet and widely reprinted in Spanish, German, Thai and Dutch languages.

*Gifting Pyramid Schemes - Why Women Join: It's Not Just Greed*, published on the Internet, this article analyzes how and why hundreds of thousands of women in the US, Canada, the UK and other countries have fallen into illegal pyramid "gifting" schemes.

*Distribution in Mature Industries*, published in various trade magazine in a wide variety of industries including office products, materials handling, wholesale florist, computer, and food processing equipment, graphic arts.

*Seeking Alpha*, a platform for investment research with over 4 million registered users has published over 20 articles by Robert L. FitzPatrick on subjects related to the economic status, sustainability, business model and marketing practices of publicly traded multi-level marketing companies. The articles include statistical analyses of growth and saturation factors. *SeekingAlpha.com*

### **Multi-Media**

*Pyramid Schemes and Multi-level Marketing* - a 50-slide PowerPoint Presentation on CD ROM including sound and video, for regulators, prosecutors and attorneys involved in pyramid scheme cases.

**Audio**

*Ponzis and Pyramids, the Audio Series* – Four-part series of interviews conducted by Robert FitzPatrick with writers, educators and activists focused on identifying pyramid schemes when they are disguised as direct selling companies.

*Ponzinomics101* – a 10 segment podcast produced with veteran educator, Melissa Milner, offering an outline of facts and analysis for use by school teachers and parents to respond to pyramid scheme recruiting in schools and among teaching staff - <https://www.ponzinomics101.com>

**Blog**

*False Profits Blog* -<https://pyramidschemealert.org/false-profits/>

**This is Exhibit “2” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023**



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114





Article

# Multi-Level Marketing Businesses and Pyramid Schemes

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Businesses that involve selling products to family and friends and recruiting other people to do the same are called multi-level marketing (MLM), network marketing, or direct marketing businesses. Some MLMs are illegal pyramid schemes. Before joining an MLM program, here are some things to know.

[What Are MLMs and How Do They Work?](#)

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[What's a Pyramid Scheme and How Do You Spot One?](#)

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[Is an MLM Right for You?](#)

## What Are MLMs and How Do They Work?

MLM companies sell their products or services through person-to-person sales. That means you're selling directly to other people, maybe from your home, a customer's home, or online.

If you join an MLM program, the company may refer to you as an independent "distributor," "participant," or "contractor." Most MLMs say you can make money two ways:

- by selling the MLM's products yourself to "retail" customers who are not involved in the MLM



- by recruiting new distributors and earning commissions based on what they buy and their sales to retail customers

Your recruits, the people they recruit, and so on, become your sales network, or “downline.” **If the MLM is not a pyramid scheme, it will pay you based on your sales to retail customers, without having to recruit new distributors.**


Most people who join legitimate MLMs make little or no money. Some of them lose money. In some cases, people believe they’ve joined a legitimate MLM, but it turns out to be an illegal pyramid scheme that steals everything they invest and leaves them deeply in debt.

## What’s a Pyramid Scheme and How Do You Spot One?

Pyramid schemes are scams. They can look remarkably like legitimate MLM business opportunities and often sell actual products, maybe even ones you’ve heard of. But if you become a distributor for a pyramid scheme, it can cost you and your recruits — often your family and friends — a lot of time and money that you won’t get back.

The promoters of a pyramid scheme may try to recruit you with pitches about what you’ll earn. They may say you can change your life — quit your job and even get rich — by selling the company’s products. That’s a lie. Your income would be based mostly on how many people you recruit, not how much product you sell. Pyramid schemes are set up to encourage everyone to keep recruiting people to keep a constant stream of new distributors — and their money — flowing into the business.

Often in a pyramid scheme, you’ll be encouraged or even required to buy a certain amount of product at regular intervals, even if you already have more inventory than you can use or sell.

You may even have to buy products before you’re eligible to be paid or get certain bonuses. You also may have to pay repeated fees for other items, like training sessions or expensive marketing materials. In addition, the company may say you can earn lavish rewards, like prizes, bonuses, exotic vacations, and luxury cars. However, it often turns out that you have to meet certain product purchase, recruitment, training, or other goals to qualify for the rewards, and only a handful of distributors ever qualify. 

Eventually, most distributors find that no matter how hard they work, they can't sell enough inventory or recruit enough people to make money. They also can't keep up with required fees or the inventory purchases they need to make to qualify for rewards, and they can't earn enough money to cover their expenses. In the end, most people run out of money, have to quit, and lose everything they invested.

Here are some warning signs of a pyramid scheme:

- **Promoters make extravagant promises about your earning potential.** Stop. These promises are false.
- **Promoters emphasize recruiting new distributors for your sales network as the real way to make money.** Walk away. In a legitimate MLM program, you should be able to make money just by selling the product.
- **Promoters play on your emotions or use high-pressure sales tactics, maybe saying you'll lose the opportunity if you don't act now and discouraging you from taking time to study the company.** Leave by the nearest exit. Any company that tries to pressure you to join is one to avoid.
- **Distributors buy more products than they want to use or can resell, just to stay active in the company or to qualify for bonuses or other rewards.** If you see this happening, keep your money.

## Is an MLM Right for You?

If you're considering joining an MLM, know that some MLMs — even ones that aren't pyramid schemes — may not be a wise investment. Other MLMs may not be a good fit for your interests and lifestyle. Here are some ways to help protect yourself against a bad MLM experience.

### Ask yourself these questions

- **Do you want to be a salesperson?** If you join an MLM, you'll be a salesperson. Your job will be to sell the company's product and, in many cases, to convince other people to join, invest, and sell. If you don't like selling, or if you're uncomfortable asking people you know to put their time and money into a business venture, joining an MLM is a bad idea.
- **Do you have a solid sales plan?** Consider whether you have friends and family who will buy this product from you over and over again. Think about how you would find



and keep other regular customers. Can people buy something like this product elsewhere, maybe for less?

- **What are your income goals?** You might think that, with your willingness to work hard, you can earn substantial income through the MLM. In fact, most people who join MLMs and work hard make little or no money, and some of them lose money.
- **Can you afford to risk the money and time?** Every business venture has risks. MLMs are no different. Even if the start-up costs seem low, additional expenses can add up quickly. Expenses can include training and travel costs, website fees, promotional materials, costs to host parties, and costs to buy products. If you need to borrow money or use your credit card to finance your expenses, you may face hefty interest charges too. Also, consider the time demands of the business, like going to training, recruiting new distributors, managing paperwork, recording inventory, and shipping products.

## Do your homework

- **Research the company.** Search online for the name of the company and words like “review,” “scam,” or “complaint.” You may also want to look for articles about the company in newspapers, magazines, or online. Does the company have a good reputation for customer satisfaction? Check with your [state attorney general](#) for complaints. A lack of complaints doesn’t guarantee that a company is legitimate, but complaints can alert you to possible problems.
- **Research what distributors are saying.** Individual distributors often post their own training videos online to promote the MLM. Search for these materials. Be suspicious if the trainings make earnings claims, tell you that the fastest way to make money is to “recruit, recruit, recruit,” or suggest that all you need to do to build a downline is “find two people who find two people.” Claims like these are hallmarks of a pyramid scheme.
- **Consider the products.** MLM companies may sell quality items at competitive prices. But some offer goods that are overpriced, have questionable benefits, or are downright unsafe to use. For example, be very skeptical about health products advertised as having [“miracle” ingredients](#) or guaranteed results. Those claims are generally false or at least unproven and, at worst, the products could be dangerous.
- **Understand the costs.** Many MLMs make you buy training or marketing materials, or pay for seminars on building your business. You may need to book travel and pay for hotels and meals. Make sure you know what you must pay for, and how much it will cost over time. If the company says some of these things — like periodic product purchases or training — are optional, find out if you’ll become ineligible for bonuses



or rewards if you opt out of them.

- **Ask about refunds.** In many MLMs, before you can start selling the products, you have to buy them from the company. So get the company's refund policy in writing. Make sure it includes information about returning any unused products, including restrictions and penalties. Consider whether you'll get a full refund or only a partial one — and how long it may take.
- **Read the paperwork and have a friend or advisor review it.** Read the company's sales literature, business plan, disclosure documents, and any contracts or agreements you'll need to sign. Ask an accountant, a lawyer, or someone else you trust — and who is **not** affiliated with the company — to help you review the MLM's materials. Ask them to look at your possible earnings and whether the company can back up its claims about how much money you can make. Ask for their honest opinion about whether they think the MLM is legitimate and a good fit for you.

## Talk with current and past distributors about their experience in the MLM

Ask tough questions and dig for details. Don't consider it nosy or intrusive. You're thinking about starting a small business. A good businessperson needs those answers. Here are some questions to ask:

- How long have you been in the MLM?
- How much money did you make last year, after expenses?
- What were your expenses last year?
- Have you borrowed money or used your credit card to fund your business? How much did you borrow? How much do you owe?
- Do you need to have recruits to make money?
- How many people have you recruited? How many did you recruit last year?
- How many of your recruits have left the business?
- What percentage of the money you made came from selling the product to customers outside the MLM?
- What percentage of the money you made — income and bonuses less your expenses — came from recruiting other distributors and selling them inventory or



other items to get started?

- How much time do you spend on the business?
- How much inventory did you buy from the MLM last year? Did you sell all of your inventory?

Remember, you're on a mission to check out a potential business deal that will require your time and money. The information you learn can help you decide whether it's really a deal, a dud, or straight up illegal.

Search Terms: [business opportunity](#), [get rich](#), [invest](#), [multilevel marketing](#), [pyramid scheme](#), [scam](#)


Topics: [Jobs and Making Money](#), [Money-Making Opportunities and Investments](#)

Scams: [All Scams](#), [Money-Making Opportunity Scams](#)

July 2022



This is Exhibit "3" referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114





For Release

# FTC Puts Businesses on Notice that False Money-Making Claims Could Lead to Big Penalties

Notice of Penalty Offenses can trigger large civil penalties for companies from multi-level marketers to providers of “gig” work

October 26, 2021



**Tags:** [Consumer Protection](#) | [Bureau of Consumer Protection](#) | [Investment](#) | [Work-at-Home Going into Business](#) | [deceptive/misleading conduct](#) | [Franchises, Business Opportunities, and Investments](#) | [Advertising and Marketing](#) | [Online Advertising and Marketing](#) | [Advertising and Marketing Basics](#)

The Federal Trade Commission is putting more than 1,100 businesses that pitch money-making ventures on notice that if they deceive or mislead consumers about potential earnings, the FTC won't hesitate to use its authority to target them with large civil penalties.

As the pandemic has left many people in dire financial straits, money-making pitches have proliferated and gained special attention. From multi-level marketing companies offering the dream of owning a business, to investment “coaches” with promises of secrets on how to beat the odds, to ubiquitous “gigs” that pitch a steady second income, Americans are bombarded by offers that often prove to be less than advertised.

As a result, the FTC is deploying its Penalty Offense Authority to remind businesses of the law and deter them from breaking it. By sending a [Notice of Penalty Offenses](#) to more than 1,100 companies, the agency is placing them on notice they could incur significant civil penalties—up to \$43,792 per violation—if they or their representatives make claims about money-making opportunities that run counter to prior FTC administrative cases.






“Preying on consumers and workers with bogus promises of big earnings should never be profitable,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “Today’s announcement helps ensure that companies that cheat struggling Americans will pay a heavy price.”

The Notice of Penalty Offenses allows the agency to seek civil penalties against a company that engages in conduct that it knows is unlawful, and that has been found unlawful in a previous FTC administrative order, other than a consent order.

The Notice sent to the companies outlines a number of practices that the FTC determined to be unfair or deceptive in prior administrative cases. Broadly, the cases found that it was unlawful to make false, misleading, or deceptive representations concerning the profits or earnings that may be anticipated by a participant in a money-making opportunity. This includes, for example, representations that participants will make a profit, or that represented profits are typical. The Notice also describes other practices that the FTC has determined to be unfair or deceptive, such as falsely telling consumers they do not need experience to earn income or that they must act immediately to participate.

Companies receiving the Notice also received a copy of the recently issued [Notice of Penalty Offenses concerning endorsements and testimonials](#), as companies frequently use testimonials to advertise money-making opportunities. Together, the notices make clear that it is illegal to use testimonials to mislead consumers about the rewards of participating in a money-making opportunity.

The notices are being sent to a broad array of businesses that cover a wide range of money-making opportunities, including multi-level marketing, “gig” employers, investment and business coaching franchises, business opportunities, and others. **A recipient’s presence on this list does not in any suggest that it has engaged in deceptive or unfair conduct.** A full list of the businesses [receiving Notice](#)  from the FTC is available on the FTC’s website.



The Commission vote to authorize the Notice and its distribution was 5-0.

The Federal Trade Commission works to promote competition and [protect and educate consumers](#). Learn more about consumer topics at [consumer.ftc.gov](https://consumer.ftc.gov), or report fraud, scams, and bad business practices at [ReportFraud.ftc.gov](https://ReportFraud.ftc.gov). Follow the [FTC on social media](#), read [consumer alerts](#) and the [business blog](#), and [sign up to get the latest FTC news and alerts](#).

Press Release Reference



## Contact Information

### Contact for Consumers

Centro de Respuesta al Consumidor

[877-382-4357](tel:877-382-4357)

<https://reportfraud.ftc.gov>

### Media Contact

[Jay Mayfield](#)

Office of Public Affairs

[202-326-2656](tel:202-326-2656)

### Staff Contacts

Andrew Hudson

Buró de Protección del Consumidor

[202-326-2213](tel:202-326-2213)

Melissa Dickey

Buró de Protección del Consumidor

[202-326-2662](tel:202-326-2662)



**This is Exhibit “4” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023**



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114

# Annual Report 2022



**PRIMERICA**

2023-1129-LC-Primerica vs Marco Moukhaiber-Always vs Marco-Affidavit-Robert Fitzpatrick-2303 3143-BonkNote-79p

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# Continued Growth

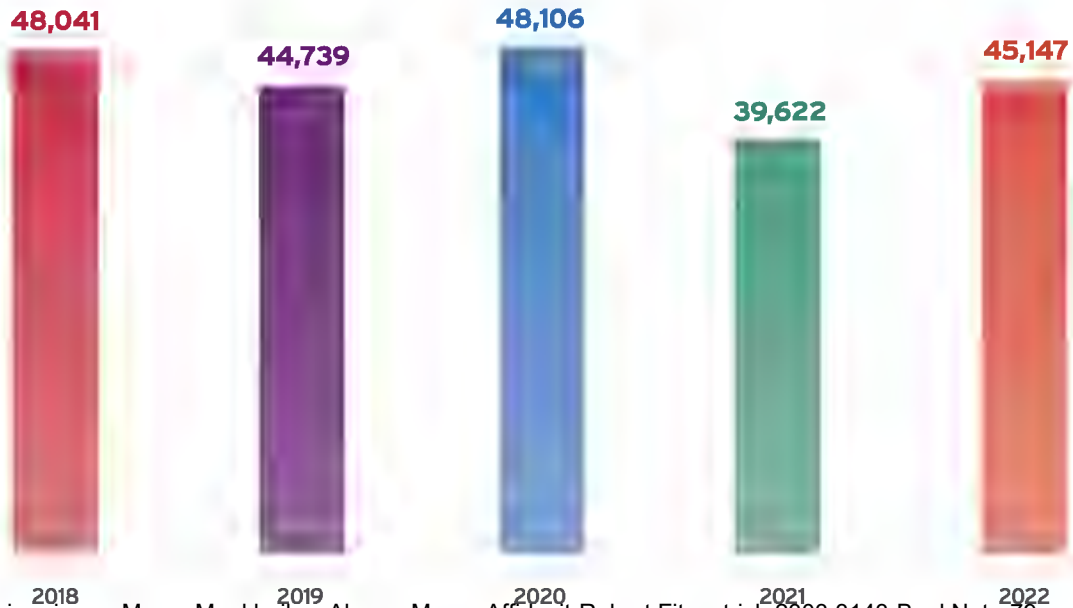
Our success is deeply rooted in the power of our distribution network. The size of our sales force grew by 4.4% in 2022, ending the year with a record at over 135,000 life-licensed independent representatives. This growth would not be possible without the appeal and flexibility of our business model, which offers individuals the opportunity to build a business while helping middle-income families prepare for a more secure financial future. Our success is supported by the diversity of our sales force. Our representatives have deep connections in their communities, which allows them to effectively serve our target market: families with annual incomes between \$30,000 and \$100,000.

We returned to the Mercedes-Benz Stadium in Atlanta, Georgia in June to host our first in-person convention since 2019, which was the perfect environment to focus on the future. The excitement

of the nearly 35,000 people attending this event was evident and we leveraged their energy to cast our vision for the future. Our messages were simple, yet consistent: Primerica's unique ability to serve the middle-income market, the attractiveness of our business model and the importance of growing the independent sales force to reach more families.

The strong response to our business opportunity makes it clear that individuals greatly value the independence and flexibility that comes with building a Primerica business. Fueled in part by various recruiting incentives, nearly 360,000 individuals joined Primerica as new recruits in 2022. We also gained traction in licensing throughout the year. Over 45,000 new licenses were added during the year, representing a 13.9% improvement over 2021.

## New Life-Licensed Representatives



which adversely impacted revenue generated by the Investments and Savings Products segment. The sharp rise in market interest rates during 2022 resulted in unrealized losses in our investment portfolio. We have not recognized losses caused by interest rate volatility in the income statement as we have the ability to hold these investments until maturity or a market price recovery, and we have no present intention to dispose of them.

During 2022, inflation reached levels not seen since the 1980s, which led to an increased cost of living for middle-income families. If elevated inflation continues it could impact demand for our products.

The effects of these trends and conditions are discussed below, in the Results of Operations section and in the Financial Condition section.

**Size of the Independent Sales Force.** Our ability to increase the size of the independent sales force (“independent sales representatives” or “independent sales force”) is largely based on the success of the sales force’s recruiting efforts as well as training and motivating recruits to get licensed to sell life insurance. We believe that recruitment and licensing levels are important to independent sales force trends, and growth in recruiting and licensing is usually indicative of future growth in the overall size of the independent sales force. Recruiting changes do not always result in commensurate changes in the size of the licensed independent sales force because new recruits may obtain the requisite licenses at rates above or below historical levels.

Details on new recruits activity and life-licensed independent sales representative activity were as follows:

	Year ended December 31,		
	2022	2021	2020
New recruits	359,735	349,374	400,345
New life-licensed independent sales representatives	45,147	39,622	48,106
Life-licensed independent sales representatives, at period end	135,208	129,515	134,907

The number of new recruits increased in 2022 compared to 2021 primarily due to strong recruiting efforts and the offering of special recruiting incentives following our biennial convention held in June 2022. Approximately 83,000 individuals were recruited while the special incentives were in place. Various recruiting incentives in both 2022 and 2021 also positively impacted recruiting results during each year.

New life-licensed independent sales representatives increased in 2022 compared to 2021 primarily due to the elevated recruiting volume discussed above combined with licensing process improvements throughout 2022. These improvements included new licensing progress-tracking tools and additional in-person licensing classes.

The number of life-licensed independent sales representatives grew to 135,208 as of December 31, 2022 and reflects recent improvements to the licensing process and the elevated recruiting volume discussed above.

by June 1, 2023. In addition, on September 8, 2022, the CCIR issued a discussion paper for consultation to consider other changes to upfront compensation, including advance compensation and chargeback features such as those used in our Principal Distributor model. The consultation period on the discussion paper is now closed and the CCIR is now considering the comments that were submitted, including ours, to determine whether they will require changes to segregated funds compensation practices. We expect that changes, if any, to segregated funds compensation practices, will also be adopted by securities regulators, which may impact our Principal Distributor model. Currently, our Canadian segregated fund products are primarily sold on a deferred sales charge basis and we pay upfront commissions to the independent agents for the sale of these products. At this time, without further clarity from regulators on allowable segregated fund compensation practices, we expect a decline in segregated fund product sales beginning in June 2023. We earn revenue from Canadian segregated fund products based on a percentage of client assets under management. During the year ended December 31, 2022, Canadian segregated funds represented approximately 2% of our total investment and savings product sales and approximately 3% of our average client asset values.

### ***Factors Affecting Our Results***

Refer to the Business Trends and Conditions section for discussion of the potential impact on our business from the COVID-19 pandemic.

***Term Life Insurance Segment.*** The Term Life Insurance segment results are primarily driven by sales volumes, how closely actual experience matches our pricing assumptions, terms and use of reinsurance, and expenses.

***Sales and policies in-force.*** Sales of term policies and the size and characteristics of our in-force book of policies are vital to our results over the long term. Premium revenue is

recognized as it is earned over the term of the policy, and eligible acquisition expenses are deferred and amortized ratably with the level premiums of the underlying policies. However, because we incur significant cash outflows at or about the time policies are issued, including the payment of sales commissions and underwriting costs, changes in life insurance sales volume in a period will have a more immediate impact on our cash flows than on revenue and expense recognition in that period.

Historically, we have found that while sales volume of term life insurance products between fiscal periods may vary based on a variety of factors, the productivity of sales representatives generally remains within a range (i.e., an average monthly rate of new policies issued per life-licensed independent sales representative between 0.18 and 0.22). The volume of term life insurance products sales will fluctuate in the short term, but over the longer term, our sales volume generally correlates to the size of the independent sales force.

***Pricing assumptions.*** Our pricing methodology is intended to provide us with appropriate profit margins for the risks we assume. We determine pricing classifications based on the coverage sought, such as the size and term of the policy, and certain policyholder attributes, such as age and health. In addition, we generally utilize unisex rates for term life insurance policies. The pricing assumptions that underlie our rates are based upon our best estimates of mortality, persistency, disability, and interest rates at the time of issuance, sales force commission rates, issue and underwriting expenses, operating expenses and the characteristics of the insureds, including the distribution of sex, age, underwriting class, product and amount of coverage. Our results will be affected to the extent there is a variance between our pricing assumptions and actual experience.

- ***Persistency.*** Persistency is a measure of how long our insurance policies stay in-force. As a general matter, persistency that is lower than our pricing assumptions

**This is Exhibit “ 5 ” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023**



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114





CANADA

CONSOLIDATION

CODIFICATION

## Competition Act

## Loi sur la concurrence

R.S.C., 1985, c. C-34

L.R.C. (1985), ch. C-34

Current to October 31, 2023

À jour au 31 octobre 2023

Last amended on June 23, 2023

Dernière modification le 23 juin 2023

- (b) the particular vulnerability of recipients of the notices or documents referred to in subsection (1) to abusive tactics;
- (c) the amount of the proceeds realized by the person from the commission of an offence under this section;
- (d) previous convictions of the person under section 52 or 52.1 or this section; and
- (e) the manner in which information is conveyed, including the use of abusive tactics.

R.S., 1985, c. C-34, s. 53; 1999, c. 2, s. 14; 2002, c. 16, s. 6; 2009, c. 2, s. 416.

### Double ticketing

**54 (1)** No person shall supply a product at a price that exceeds the lowest of two or more prices clearly expressed by him or on his behalf, in respect of the product in the quantity in which it is so supplied and at the time at which it is so supplied,

- (a) on the product, its wrapper or container;
- (b) on anything attached to, inserted in or accompanying the product, its wrapper or container or anything on which the product is mounted for display or sale; or
- (c) on an in-store or other point-of-purchase display or advertisement.

### Offence and punishment

**(2)** Any person who contravenes subsection (1) is guilty of an offence and liable on summary conviction to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding one year or to both.

1974-75-76, c. 76, s. 18.

### Definition of *multi-level marketing plan*

**55 (1)** For the purposes of this section and section 55.1, *multi-level marketing plan* means a plan for the supply of a product whereby a participant in the plan receives compensation for the supply of the product to another participant in the plan who, in turn, receives compensation for the supply of the same or another product to other participants in the plan.

### Representations as to compensation

**(2)** No person who operates or participates in a multi-level marketing plan shall make any representations relating to compensation under the plan to a prospective participant in the plan unless the representations

- (b) le fait que les destinataires des avis ou de la documentation sont des personnes vulnérables aux tactiques abusives;
- (c) le montant des recettes du contrevenant qui proviennent de la perpétration d'infractions au présent article;
- (d) les condamnations antérieures du contrevenant pour infraction aux articles 52 ou 52.1 ou au présent article;
- (e) la façon de communiquer l'information, notamment l'utilisation de tactiques abusives.

L.R. (1985), ch. C-34, art. 53; 1999, ch. 2, art. 14; 2002, ch. 16, art. 6; 2009, ch. 2, art. 416.

### Double étiquetage

**54 (1)** Nul ne peut fournir un produit à un prix qui dépasse le plus bas de deux ou plusieurs prix clairement exprimés, par lui ou pour lui, pour ce produit, pour la quantité dans laquelle celui-ci est ainsi fourni et au moment où il l'est :

- a) soit sur le produit ou sur son emballage;
- b) soit sur quelque chose qui est fixé au produit, à son emballage ou à quelque chose qui sert de support au produit pour l'étalage ou la vente, ou sur quelque chose qui y est inséré ou joint;
- c) soit dans un étalage ou la réclame d'un magasin ou d'un autre point de vente.

### Infraction et peine

**(2)** Quiconque contrevient au paragraphe (1) commet une infraction et encourt, sur déclaration de culpabilité par procédure sommaire, une amende maximale de dix mille dollars et un emprisonnement maximal d'un an, ou l'une de ces peines.

1974-75-76, ch. 76, art. 18.

### Définition de *commercialisation à paliers multiples*

**55 (1)** Pour l'application du présent article et de l'article 55.1, *commercialisation à paliers multiples* s'entend d'un système de distribution de produits dans lequel un participant reçoit une rémunération pour la fourniture d'un produit à un autre participant qui, à son tour, reçoit une rémunération pour la fourniture de ce même produit ou d'un autre produit à d'autres participants.

### Assertions quant à la rémunération

**(2)** Il est interdit à l'exploitant d'un système de commercialisation à paliers multiples, ou à quiconque y participe déjà, de faire à d'éventuels participants, quant à la rémunération offerte par le système, des déclarations qui ne

constitute or include fair, reasonable and timely disclosure of the information within the knowledge of the person making the representations relating to

- (a) compensation actually received by typical participants in the plan; or
- (b) compensation likely to be received by typical participants in the plan, having regard to any relevant considerations, including
  - (i) the nature of the product, including its price and availability,
  - (ii) the nature of the relevant market for the product,
  - (iii) the nature of the plan and similar plans, and
  - (iv) whether the person who operates the plan is a corporation, partnership, sole proprietorship or other form of business organization.

#### Idem

(2.1) A person who operates a multi-level marketing plan shall ensure that any representations relating to compensation under the plan that are made to a prospective participant in the plan by a participant in the plan or by a representative of the person who operates the plan constitute or include fair, reasonable and timely disclosure of the information within the knowledge of the person who operates the plan relating to

- (a) compensation actually received by typical participants in the plan; or
- (b) compensation likely to be received by typical participants in the plan, having regard to any relevant considerations, including those specified in paragraph (2)(b).

#### Due diligence defence

(2.2) A person accused of an offence under subsection (2.1) shall not be convicted of the offence if the accused establishes that he or she took reasonable precautions and exercised due diligence to ensure

- (a) that no representations relating to compensation under the plan were made by participants in the plan or by representatives of the accused; or
- (b) that any representations relating to compensation under the plan that were made by participants in the plan or by representatives of the accused constituted or included fair, reasonable and timely disclosure of the information referred to in that subsection.

constituent ou ne comportent pas des assertions loyales, faites en temps opportun et non exagérées, fondées sur les informations dont il a connaissance concernant la rémunération soit effectivement reçue par les participants ordinaires, soit susceptible de l'être par eux compte tenu de tous facteurs utiles relatifs notamment à la nature du produit, à son prix, à sa disponibilité et à ses débouchés de même qu'aux caractéristiques du système et de systèmes similaires et à la forme juridique de l'exploitation.

#### Idem

(2.1) Il incombe à l'exploitant de veiller au respect, par les participants et ses représentants, de la règle énoncée au paragraphe (2), compte tenu des informations dont il a connaissance.

#### Défense

(2.2) La personne accusée d'avoir contrevenu au paragraphe (2.1) peut se disculper en prouvant qu'elle a pris les mesures utiles et fait preuve de diligence pour que :

- a) soit ses représentants ou les participants ne fassent aucune déclaration concernant la rémunération versée au titre du système;
- b) soit leurs déclarations respectent les critères énoncés au paragraphe (2).

### Offence and punishment

**(3)** Any person who contravenes subsection (2) or (2.1) is guilty of an offence and liable

**(a)** on conviction on indictment, to a fine in the discretion of the court or to imprisonment for a term not exceeding five years or to both; or

**(b)** on summary conviction, to a fine not exceeding \$200,000 or to imprisonment for a term not exceeding one year, or to both.

R.S., 1985, c. C-34, s. 55; 1992, c. 14, s. 1; 1999, c. 2, s. 15.

### Definition of *scheme of pyramid selling*

**55.1 (1)** For the purposes of this section, *scheme of pyramid selling* means a multi-level marketing plan whereby

**(a)** a participant in the plan gives consideration for the right to receive compensation by reason of the recruitment into the plan of another participant in the plan who gives consideration for the same right;

**(b)** a participant in the plan gives consideration, as a condition of participating in the plan, for a specified amount of the product, other than a specified amount of the product that is bought at the seller's cost price for the purpose only of facilitating sales;

**(c)** a person knowingly supplies the product to a participant in the plan in an amount that is commercially unreasonable; or

**(d)** a participant in the plan who is supplied with the product

**(i)** does not have a buy-back guarantee that is exercisable on reasonable commercial terms or a right to return the product in saleable condition on reasonable commercial terms, or

**(ii)** is not informed of the existence of the guarantee or right and the manner in which it can be exercised.

### Pyramid selling

**(2)** No person shall establish, operate, advertise or promote a scheme of pyramid selling.

### Offence and punishment

**(3)** Any person who contravenes subsection (2) is guilty of an offence and liable

### Infraction et peine

**(3)** Quiconque contrevient aux paragraphes (2) ou (2.1) commet une infraction et encourt, sur déclaration de culpabilité :

**a)** par mise en accusation, une amende dont le montant est fixé par le tribunal et un emprisonnement maximal de cinq ans, ou l'une de ces peines;

**b)** par procédure sommaire, une amende maximale de 200 000 \$ et un emprisonnement maximal d'un an, ou l'une de ces peines.

L.R. (1985), ch. C-34, art. 55; 1992, ch. 14, art. 1; 1999, ch. 2, art. 15.

### Définition de *système de vente pyramidale*

**55.1 (1)** Pour l'application du présent article, *système de vente pyramidale* s'entend d'un système de commercialisation à paliers multiples dans lequel, selon le cas :

**a)** un participant fournit une contrepartie en échange du droit d'être rémunéré pour avoir recruté un autre participant qui, à son tour, donne une contrepartie pour obtenir le même droit;

**b)** la condition de participation est réalisée par la fourniture d'une contrepartie pour une quantité déterminée d'un produit, sauf quand l'achat est fait au prix coûtant à des fins promotionnelles;

**c)** une personne fournit, sciemment, le produit en quantité injustifiable sur le plan commercial;

**d)** le participant à qui on fournit le produit :

**(i)** soit ne bénéficie pas d'une garantie de rachat ou d'un droit de retour du produit en bon état de vente, à des conditions commerciales raisonnables,

**(ii)** soit n'en a pas été informé ni ne sait comment s'en prévaloir.

### Interdiction

**(2)** Il est interdit de mettre sur pied, d'exploiter, de promouvoir un système de vente pyramidale ou d'en faire la publicité.

### Infraction et peine

**(3)** Quiconque contrevient au paragraphe (2) commet une infraction et encourt, sur déclaration de culpabilité :

(a) on conviction on indictment, to a fine in the discretion of the court or to imprisonment for a term not exceeding five years or to both; or

(b) on summary conviction, to a fine not exceeding \$200,000 or to imprisonment for a term not exceeding one year, or to both.

1992, c. 14, s. 1; 1999, c. 2, s. 16.

**56 to 59** [Repealed, 1999, c. 2, s. 17]

### Defence

**60** Section 54 does not apply to a person who prints or publishes or otherwise distributes a representation or an advertisement on behalf of another person in Canada if he or she establishes that he or she obtained and recorded the name and address of that other person and accepted the representation or advertisement in good faith for printing, publishing or other distribution in the ordinary course of his or her business.

R.S., 1985, c. C-34, s. 60; 1999, c. 2, s. 17.1.

**61** [Repealed, 2009, c. 2, s. 417]

### Civil rights not affected

**62** Except as otherwise provided in this Part, nothing in this Part shall be construed as depriving any person of any civil right of action.

R.S., c. C-23, s. 39; 1974-75-76, c. 76, s. 18.

## PART VII

# Other Offences

## Offences

**63** [Repealed, R.S., 1985, c. 19 (2nd Supp.), s. 37]

### Obstruction

**64 (1)** No person shall in any manner impede or prevent or attempt to impede or prevent any inquiry or examination under this Act.

### Offence and punishment

**(2)** Every person who contravenes subsection (1) is guilty of an offence and

(a) liable on conviction on indictment to a fine in the discretion of the court or to imprisonment for a term not exceeding 10 years, or to both; or

a) par mise en accusation, une amende dont le montant est fixé par le tribunal et un emprisonnement maximal de cinq ans, ou l'une de ces peines;

b) par procédure sommaire, une amende maximale de 200 000 \$ et un emprisonnement maximal d'un an, ou l'une de ces peines.

1992, ch. 14, art. 1; 1999, ch. 2, art. 16.

**56 à 59** [Abrogés, 1999, ch. 2, art. 17]

### Moyen de défense

**60** L'article 54 ne s'applique pas à la personne qui diffuse, notamment en les imprimant ou en les publiant, des indications ou de la publicité pour le compte d'une autre personne se trouvant au Canada, si elle établit qu'elle a obtenu et consigné le nom et l'adresse de cette autre personne et qu'elle a accepté de bonne foi d'imprimer, de publier ou de diffuser de quelque autre façon ces indications ou cette publicité dans le cadre habituel de son entreprise.

L.R. (1985), ch. C-34, art. 60; 1999, ch. 2, art. 17.1.

**61** [Abrogé, 2009, ch. 2, art. 417]

### Droits civils non atteints

**62** Sauf disposition contraire de la présente partie, celle-ci n'a pas pour effet de priver une personne d'un droit d'action au civil.

S.R., ch. C-23, art. 39; 1974-75-76, ch. 76, art. 18.

## PARTIE VII

# Autres infractions

## Infractions

**63** [Abrogé, L.R. (1985), ch. 19 (2<sup>e</sup> suppl.), art. 37]

### Entrave

**64 (1)** Nul ne peut d'aucune façon entraver ou empêcher ou tenter d'entraver ou d'empêcher une enquête ou un interrogatoire sous le régime de la présente loi.

### Infraction et peine

**(2)** Quiconque contrevient au paragraphe (1) commet une infraction et encourt, sur déclaration de culpabilité :

a) par mise en accusation, l'amende que le tribunal estime indiquée et un emprisonnement maximal de dix ans, ou l'une de ces peines;

**This is Exhibit “ 6 ” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023**



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34680



PRIMERICA

Primerica, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

27-1204330

(I.R.S. Employer  
Identification No.)

1 Primerica Parkway  
Duluth, Georgia

(Address of principal executive offices)

30099

(ZIP Code)

Registrant's telephone number, including area code: (770) 381-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$0.01 Par Value

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The aggregate market value of the voting common equity held by non-affiliates of the registrant as of June 30, 2016, was \$2,645,868,915. The number of shares of the registrant's Common Stock outstanding at January 31, 2017, with \$0.01 par value, was 45,700,523.

Documents Incorporated By Reference

Certain information contained in the Proxy Statement for the Company's Annual Meeting of Stockholders to be held on May 17, 2017 is incorporated by reference into Part III hereof.

## Structure and Scalability of Our Sales Force

New sales representatives are recruited by existing sales representatives. When these new recruits join our sales force, they become part of the sales organization of the sales representative who recruited them as well as the sales organizations to which the recruiting sales representative belongs. As new sales representatives are successful in recruiting other sales representatives, they begin to build their own organization of sales representatives. We encourage our sales representatives to bring in new recruits to build their own sales organizations, enabling them to earn commissions on sales made by members of their sales organizations.

RVPs establish and maintain their own offices, which we refer to as field offices. Additionally, they are responsible for funding the costs of their administrative staff, marketing materials, travel and training and certain recognition events for the sales representatives in their respective sales organizations. Field offices provide a location for our representatives to conduct recruiting meetings, training events and sales-related meetings, disseminate our Intranet-streamed broadcasts, conduct compliance functions, and house field office business records. Some business locations contain more than one onsite field office. At December 31, 2016, approximately 4,840 field offices in approximately 2,749 locations were managed by sales representatives that served as full-time RVPs.

RVPs play a major role in training, motivating and monitoring their sales representatives. Because the sales representative's compensation grows with the productivity of his or her sales organization, our distribution model provides financial rewards to sales representatives who successfully develop, support and monitor productive sales representatives. In addition to our commission structure, we offer the Primerica Ownership Program. This program provides qualifying RVPs a contractual right, upon meeting certain criteria, to transfer their Primerica businesses to another RVP or a qualifying family member at such time as they desire. Furthermore, we have developed proprietary tools and technology to enable our RVPs to reduce the time spent on administrative responsibilities associated with their sales organizations so they can devote more time to the sales and recruiting activities that drive our growth. We believe that our tools and technology, coupled with our sales compensation programs, further incentivize our sales representatives to become RVPs.

Both the structure of our sales force and the capacity of our support capabilities provide us with a high degree of scalability as we grow our business. Our support systems and technology are capable of supporting a large sales force and a high volume of transactions. In addition, by sharing training and compliance activities with our RVPs, we are able to grow without incurring proportionate overhead expenses.

## Recruitment of Sales Representatives

The recruitment of sales representatives is undertaken by our existing sales representatives, who identify prospects and share with them the benefits of associating with our organization. Our sales representatives showcase our organization as dynamic and capable of improving lives of middle-income families.

After the initial contact, prospective recruits typically are invited to an opportunity meeting, which is conducted by an RVP. The objective of an opportunity meeting is to inform prospective recruits about our mission and their opportunity to start their own business by becoming sales representatives. At the conclusion of each opportunity meeting, prospective recruits are asked to complete an application and pay a nominal entry fee to commence their pre-licensing training and licensing examination preparation programs and, depending on the state or province, to cover their licensing exam registration costs, which are provided by the Company generally at no additional charge. Recruits are not obligated to purchase any of the products we offer in order to become sales representatives, though they may elect to make such purchases.

Recruits may become our clients or provide us with access to their friends, family members and personal acquaintances. As a result, we continually work to improve our systematic approach to recruiting and training new sales representatives.

Similar to other distribution systems that rely upon part-time sales representatives and typical of the life insurance industry in general, we experience wide disparities in the productivity of individual sales representatives. Many new recruits do not get licensed, often due to the time commitment required to obtain licenses and various regulatory and licensing hurdles. Many of our licensed sales representatives are only marginally active, as there are no minimum life insurance production requirements. As a result, we plan for this disparate level of productivity and view a continuous recruiting cycle as a key component of our distribution model. Our distribution model is designed to address the varying productivity associated with our sales representatives by paying production-based compensation, emphasizing recruiting, and developing initiatives to address barriers to licensing new recruits. By providing commissions to sales representatives on the sales generated by their sales organization, our compensation structure aligns the interests of our sales representatives with our interests in recruiting new representatives and creating sustainable sales production.

The following table provides information on new recruits and life insurance-licensed sales representatives:

	Year ended December 31,		
	2016	2015	2014
Number of new recruits	262,732	228,115	190,439
Number of newly life insurance-licensed sales representatives	44,724	39,632	33,832
Number of life insurance-licensed sales representatives, at period end	116,827	106,710	98,358
Average number of life insurance-licensed sales representatives during period	111,843	101,660	96,780



**This is Exhibit “ 7 ” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023**



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**DEVYN TAYLOR ENS  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114**

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34680



**Primerica, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

1 Primerica Parkway  
Duluth, Georgia  
(Address of principal executive offices)

27-1204330  
(I.R.S. Employer  
Identification No.)

30099  
(ZIP Code)

Registrant's telephone number, including area code: (770) 381-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PRI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The aggregate market value of the voting common equity held by non-affiliates of the registrant as of June 30, 2022, was \$4,501,224,081. The number of shares of the registrant's Common Stock outstanding at January 31, 2023, with \$0.01 par value, was 36,645,594.

**Documents Incorporated By Reference**

Certain information contained in the Proxy Statement for the Company's Annual Meeting of Stockholders to be held on May 17, 2023 is incorporated by reference into Part III hereof.

After the initial contact, independent sales representatives typically invite prospective recruits to an opportunity meeting, conducted in person or through remote communication tools, which is conducted by an RVP. The objective of an opportunity meeting is to inform prospective recruits about our mission and their opportunity to start their own businesses by becoming independent sales representatives. At the conclusion of each opportunity meeting, attendees who are interested are asked to complete an application and pay a nominal fee to commence their pre-licensing training and licensing examination preparation programs and, depending on the state or province, to cover their licensing exam registration costs, which are provided by the Company generally at no additional charge. Recruits are not obligated to purchase any of the products we offer in order to become independent sales representatives, though they may elect to make such purchases.

Recruits may become our clients or provide us with access to their friends, family members and personal acquaintances. As a result, we continually work to improve our systematic approach to recruiting and training new independent sales representatives.

Similar to other distribution systems that rely upon part-time independent sales representatives and typical of the life insurance industry in general, we experience wide disparities in the productivity of individual independent sales representatives. Many new recruits do not get licensed, often due to the time commitment required to obtain licenses and various regulatory and licensing hurdles. Many licensed independent sales representatives are only marginally active, as there are no minimum life insurance production requirements. We plan for this disparate level of productivity and view a continuous recruiting cycle as a key component of our distribution model. Our distribution model is designed to address the varying productivity associated with independent sales representatives by paying production-based compensation, emphasizing recruiting, and developing initiatives to address barriers to licensing new recruits. By providing commissions to independent sales representatives on the sales generated by their sales organization, our compensation structure aligns the interests of independent sales representatives with our interests in recruiting new representatives and creating sustainable sales production.

The following table provides information on new recruits and life insurance-licensed independent sales representatives:

	Year ended December 31,		
	2022	2021	2020
Number of new recruits	359,735	349,374	400,345
Number of newly life insurance-licensed independent sales representatives	45,147	39,622	48,106
Number of life insurance-licensed independent sales representatives, at period end	135,208	129,515	134,907 <sup>(1)</sup>
Average number of life insurance-licensed independent sales representatives during period	132,077	131,315	133,302

<sup>(1)</sup>Number of life insurance-licensed independent sales representatives at December 31, 2020 includes 3,597 temporary licenses that were issued in response to the COVID-19 pandemic and 2,508 licenses that were extended due to the COVID-19 pandemic.

We define new recruits as individuals who have submitted an independent business application to become independent sales representatives together with payment of the nominal fee to commence their pre-licensing training. Certain recruits may not meet the compliance standards to become an independent sales representative, and others elect to withdraw prior to becoming actively engaged.

On average, it takes approximately three months for independent sales representatives to complete the necessary applications and pre-licensing coursework and to pass the applicable state or provincial examinations to obtain a license to sell term life insurance products. As a result, individuals recruited to become independent sales representatives within a given fiscal period may not become licensed independent sales representatives or meet compliance standards until a subsequent period.

#### Sales Force Motivation, Training, Communication and Sales Support Tools

Motivating, training and communicating with the independent sales force are critical to our success and that of the independent sales force.

**Motivation.** Through our proven system of sales force recognition events, contests and communications, we provide incentives that drive our results. Motivation is driven largely by independent sales representatives' desire to achieve higher levels of financial success by building their own businesses. The opportunity to help underserved middle-income households address financial challenges is also a source of motivation for many independent sales representatives.

While the RVPs are responsible for motivating the independent sales representatives in their own organizations, we provide a system that motivates independent sales representatives to succeed in their businesses by:

- compensating independent sales representatives for product sales or referrals made by them and their sales organizations;
- training independent sales representatives on financial fundamentals so they can confidently and effectively assist our clients;
- reducing the administrative burden on the independent sales force, which allows them to devote more of their time to building a sales organization and selling products;
- creating a culture in which independent sales representatives are encouraged to achieve goals through the recognition of their sales and recruiting achievements, as well as those of their sales organizations; and
- conducting numerous local, regional and national meetings to help inform and motivate the independent sales force.

	Year ended December 31,		
	2022	2021	2020
New recruits	359,735	349,374	400,345
New life-licensed independent sales representatives	45,147	39,622	48,106
Life-licensed independent sales representatives, at period end	135,208	129,515	134,907

The number of new recruits increased in 2022 compared to 2021 primarily due to strong recruiting efforts and the offering of special recruiting incentives following our biennial convention held in June 2022. Approximately 83,000 individuals were recruited while the special incentives were in place. Various recruiting incentives in both 2022 and 2021 also positively impacted recruiting results during each year.

New life-licensed independent sales representatives increased in 2022 compared to 2021 primarily due to the elevated recruiting volume discussed above combined with licensing process improvements throughout 2022. These improvements included new licensing progress-tracking tools and additional in-person licensing classes.

The number of life-licensed independent sales representatives grew to 135,208 as of December 31, 2022 and reflects recent improvements to the licensing process and the elevated recruiting volume discussed above.

**Term Life Insurance Product Sales and Face Amount In Force.** The average number of life-licensed independent sales representatives and the number of term life insurance policies issued, as well as the average monthly rate of new policies issued per life-licensed independent sales representative (historically between 0.18 and 0.22), were as follows:

	Year ended December 31,		
	2022	2021	2020
Average number of life-licensed independent sales representatives	132,077	131,315	133,302
Number of new policies issued	291,918	323,855	352,868
Average monthly rate of new policies issued per life-licensed independent sales representative	0.18	0.21	0.22

New policies issued during 2022 decreased compared to 2021 due to elevated demand during 2021 from COVID-19. As deaths associated with the COVID-19 pandemic subsided during 2022, the demand for life insurance products moderated. In addition, the impact from higher costs of living on middle-income families may have contributed to softer demand for life insurance products during the second half of 2022.

Productivity in 2022, measured by the average monthly rate of new policies issued per life-licensed independent sales representative, remained within our historical range, although lower than 2021 primarily due to the elevated demand for protection products in 2021 as described above.

The changes in the face amount of our in-force book of term life insurance policies were as follows:

	2022	% of beginning balance	Year ended December 31,		2020	% of beginning balance
			2021	% of beginning balance		
			(Dollars in millions)			
Face amount in-force, beginning of period	\$ 903,404		\$ 858,818		\$ 808,262	
Net change in face amount:						
Issued face amount	103,822	11 %	108,521	13 %	109,436	14 %
Terminations	(82,894)	(9)%	(64,798)	(8)%	(60,848)	(8)%
Foreign currency	(7,524)	*	862	*	1,968	*
Net change in face amount	13,404	1 %	44,585	5 %	50,556	6 %
Face amount in-force, end of period	<u>\$ 916,808</u>		<u>\$ 903,403</u>		<u>\$ 858,818</u>	

\* Less than 1%.

The face amount of term life policies in-force increased from 2021 to 2022 as the level of face amount issued continued to exceed the face amount terminated. The increase was partially offset by movement in the foreign exchange rate as the U.S. dollar strengthened in relation to the Canadian dollar, which negatively impacted the translated face amount in force as of December 31, 2022. Issued face amount during 2022 decreased versus 2021 due to a decrease in the number of new policies issued partially offset by higher average issued face amounts. Policy terminations were higher during 2022 as persistency normalized towards pre-pandemic levels.

Our average issued face amount per policy increased to approximately \$260,100 in 2022 compared to \$251,500 in 2021 and \$240,600 in 2020. The average issued face amount was higher in 2022 compared with 2021, as the product mix in 2021 favored our rapidly issued term life product that provides for lower maximum face amounts.

**Investment and Savings Product Sales, Asset Values and Accounts/Positions.** Investment and savings products sales and average client asset values were as follows:

This is Exhibit “ 8 ” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114

## IMPORTANT DISCLOSURES

We appreciate the opportunity to assist you. If you have questions about Primerica, please email us. So that we can forward your request to the appropriate department, please use one of following links for:

### Background on Company, Products and Services

#### What is Primerica?

Primerica is the trade name of Primerica, Inc., an organization that markets financial services through various affiliated companies in Canada, including PFSL Fund Management Ltd., PFSL Investments Canada Ltd., Primerica Financial Services Ltd., Primerica Life Insurance Company of Canada, and Primerica Client Services Inc., as well as affiliated companies in the U.S. (collectively the "Primerica Companies").

#### Parent Company

The Primerica Companies are subsidiaries of Primerica, Inc. which is a public company listed on the New York Stock Exchange. Primerica, Inc. is a leading distributor of financial products to middle income households in North America, assisting clients in meeting their needs for term life insurance, mutual funds, segregated funds and other financial products distributed on behalf of third parties. Primerica, Inc. offers financial products through its subsidiaries. Each subsidiary of Primerica, Inc., and not Primerica, Inc. itself, is responsible for its obligations to its customers.

### Product Offerings: Insurance, Mutual Funds & Other Financial Products and Services

#### Term Life Insurance and Segregated Fund products

Term life insurance products and Common Sense Funds segregated fund products are underwritten by Primerica Life Insurance Company of Canada, Head Office: Mississauga, Ontario. Commissions, trailing commissions, management fees and expenses all may be associated with segregated fund investments. Please read the Information Folder before investing. Other than the guaranteed maturity value and the guaranteed death benefit, the amounts you receive under your contract are not guaranteed. Their values fluctuate and

past performance may not be repeated.

**Primerica Life Insurance Company of Canada  
Life Insurance Capital Adequacy Test (LICAT) Ratio  
December 31, 2018**

LICAT Public Disclosure [↗](#) (LICAT-Disclosure.pdf)

**December 31, 2019**

LICAT Public Disclosure [↗](#) (LICAT\_Disclosure\_Eng\_2019.pdf)

**December 31, 2020**

LICAT Public Disclosure [↗](#) (LICAT\_Disclosure\_Eng\_2020.pdf)

**December 31, 2021**

LICAT Public Disclosure [↗](#) (LICAT\_Disclosure\_Eng\_2021.pdf)

**December 31, 2022**

LICAT Public Disclosure [↗](#) (LICAT\_Disclosure\_ENG\_2022.pdf)

**Mutual Fund Products**

To sell mutual funds, Primerica Representatives must be sponsored by PFSL Investments Canada Ltd., mutual fund dealer, Head Office: Mississauga, Ontario. Commissions, trailing commissions, management fees and other expenses may all be associated with mutual fund investments. Mutual funds are sold by prospectus only. Please read the current prospectus before investing. Mutual funds are not guaranteed, their values fluctuate and past performance may not be repeated.

**Auto & Home Insurance**

Auto & Home insurance is offered through a referral arrangement by contractual agreement between Surex.com (SurexDirect.com Ltd. and SurexDirect.com (Ontario) Ltd.) and Primerica (Primerica Life Insurance Company of Canada and PFSL Investments Canada Ltd.). Auto & Home insurance is not directly offered by Primerica. Primerica Representatives make Auto & Home insurance referrals to Surex.com and shall not act in connection with, or recommend or provide advice about, any general insurance product offers or discounts. Primerica Representatives receive referral fees paid by Surex.com, which in no way affects insurance quotes or premiums paid by the customer. Primerica and its affiliates are not affiliated with Surex.com.

**Mortgage Loans**

Primerica Representatives make simple referrals of clients to approved third party mortgage loan providers under Primerica's mortgage loan referral programs. The simple referrals made by the Representatives take place pursuant to agreements between Primerica Life Insurance Company of Canada, PFSL Investments Canada Ltd., and approved third party mortgage loan providers. Clients should contact the approved third party mortgage loan providers for questions regarding mortgage products. Primerica does not deal in mortgages. Representatives are prohibited from holding themselves out as mortgage brokers, or soliciting and giving advice on mortgages for the purposes of Primerica's mortgage loan referral programs. Please consult your local Primerica office or your Primerica Representative for further details regarding Primerica's mortgage loan referral programs.

### **Health Benefits**

Primerica Enhance™ is a trademark of Primerica, Inc. References to Primerica refer to Primerica Life Insurance Company of Canada. Primerica Life Insurance Company of Canada is a wholly owned indirect subsidiary of Primerica, Inc.

Primerica and its affiliates assume no liability for the insurance products and services offered by The Edge Benefits Inc. through the Primerica Enhance™ program.

The information provided in this website is for general information purposes only. Please see the relevant The Edge Benefits Inc. Product Overview and application for full details of all terms and conditions of the insurance product being applied for.

### **Legal Services and Identity Theft Services**

Pre-Paid Legal Services are offered by contractual agreement in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario pursuant to a written agreement between Primerica Client Services Inc. ("PCS"), PFSL Investments Canada Ltd. ("PFSL"), and PPL Legal Care of Canada Corporation dba PPLSI, a subsidiary of Pre-Paid Legal Services, Inc.

ID Theft Defense<sup>SM</sup> is offered by contractual agreement between PCS, PFSL and PPLSI. ID Theft Defense Services are available across Canada except in Quebec.

Primerica Representatives are independent contractors of Primerica, are not agents of PPLSI and can only make referrals to PPLSI.

Neither Primerica nor its officers, employees or sales representatives directly or indirectly provide legal services, representation or advice. Services are provided through PPLSI, which



provide access to legal services offered by a network of provider law firms through membership-based participation. Neither PPLSI nor its officers, employees or sales associates directly or indirectly provide legal services, representation or advice. Please discuss with your provider law firm regarding availability of products in your province.

Neither Primerica nor their officers, employees or sales representatives directly or indirectly provide identity theft protection, restoration services or advice. PPLSI provides access to identity theft protection and restoration services.

The products and services offered by the companies noted above may not be available in your province or territory. The products and services your Primerica Representative may be able to offer also may be limited. Please consult your local Primerica office or your Primerica Representative for a listing of products and services available.

### **Financial Needs Analysis**

The Financial Needs Analysis ("FNA") is designed to assist you in identifying your financial needs and goals so that you can make better informed decisions in managing your money. An FNA is developed based on information you provide, as summarized on data input pages, and on certain generally accepted assumptions and reasonable estimates. It is provided to you as a complimentary, no-obligation service by Primerica. The FNA is not a financial plan.

The FNA should be construed as a guide for you to use in deciding how best to attain your financial goals. Representatives are compensated through commissions or referral fees on the sale of financial products offered by the financial product companies they represent. Representatives are not financial planners, investment advisors, financial consultants or other specialists who provide financial advice and whose compensation may be unrelated to sales.

### **Continuity of Business**

Primerica Life Insurance Company of Canada ("PLICC") and PFSL Investments Canada Ltd., mutual fund dealer, ("PFSL") have developed a Continuity of Business Plan that addresses the possibility of a future emergency or significant business disruption. If such an event were to affect PLICC or PFSL's headquarters, customers could continue to access their funds by contacting the following companies, depending upon the type of investments the customer owns.

**Customers with Primerica Concert Series mutual funds can continue to access their funds**

via telephone at (800) 510-7375, via email at [concert@AGF.com](mailto:concert@AGF.com), via the internet at [www.agf.com](http://www.agf.com), or through their local Primerica representative.

Customers with Primerica Common Sense Funds segregated funds can continue to access their funds via telephone at (800) 463-9997, via the internet at [www.agf.com](http://www.agf.com), or through their local Primerica representative.

Customers with third party mutual funds can continue to access their funds by contacting the respective mutual fund company via the contact information provided on their trade confirmations, annual account statements, or through their local Primerica representative.

### **Press Room**

The Primerica Newsroom includes unedited articles about Primerica written by third party news organizations. These organizations are not affiliated with Primerica or any Primerica Companies. The articles are included for information purposes only.

## **Independent Contractor Representative Information**

### **The Business Opportunity**

The Primerica business opportunity involves the sale of term life insurance and mutual funds, as well as offering other financial services products and services such as debt consolidation loan referrals. Primerica Representatives are individuals who have signed an Independent Business Application ("IBA") and who have been approved to become a member of Primerica's sales force. Primerica Representatives are independent contractors, and are not employees of Primerica Companies, or its parent company Primerica, Inc.

### **Personal Income**

From January 1 through December 31, 2022, Primerica paid cash flow to its Canadian sales force at an average of \$17,141, which includes commissions paid in Canadian dollars on all lines of business to life licensed representatives.

Any cash flows stated represent gross income only. All commissions are subject to Deferred Commission Account withholding and applicable taxes, and Representatives are responsible for their own business expenses. All commissions and bonus payments are subject to applicable Primerica agent agreements and Operating Guidelines. Commission rates, rules and procedures and bonus programs are subject to change in any manner from time to time, including adjustments to renewal commissions on product sales previously made.

**Primerica may from time to time modify, supplement or terminate any of the compensation**

in any manner. Additional details are available from Primerica.

### **Part-time Business Opportunity**

In Canada, the part-time opportunity may be subject to certain restrictions, depending on your occupation. The IBA fee is \$103.95 and the monthly Primerica Online fee is \$28.00 (including applicable taxes).

### **IBA Issues**

New members of the Primerica sales force who have inquiries concerning an Independent Business Application ("IBA") fee refund should refer to the Basic Agreement contained in the IBA. For additional IBA inquiries, send email to: [canada\\_agencysupport@primerica.com](mailto:canada_agencysupport@primerica.com) ([mailto:canada\\_agencysupport@primerica.com](mailto:canada_agencysupport@primerica.com)).

Recruiting Inquiries -- Individuals with inquiries pertaining only to recruiting contacts by a Primerica Representative should send an email to: [canada\\_marketing@primerica.com](mailto:canada_marketing@primerica.com) ([mailto:canada\\_marketing@primerica.com](mailto:canada_marketing@primerica.com)).

Primerica®, Primerica Ring™, the Primerica ring design, Primerica Enhance™, Custom Advantage™, Concert™, the Concert™ Logo, Common Sense Funds™ and SMART Loan™ are trade-marks and service marks of the Primerica Companies, and are used in the United States and Canada. The Primerica Companies also claim rights in certain other trade-marks and service marks contained in these web pages.

LIMITATION OF LIABILITY: IN NO EVENT WILL Primerica BE LIABLE FOR ANY DAMAGES, INCLUDING WITHOUT LIMITATION DIRECT OR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES ARISING IN CONNECTION WITH THIS SITE OR ANY LINKED SITE OR USE THEREOF OR INABILITY TO USE BY ANY PARTY, OR IN CONNECTION WITH ANY FAILURE OF PERFORMANCE, ERROR, OMISSION, INTERRUPTION, DEFECT, DELAY IN OPERATION OR TRANSMISSION, COMPUTER VIRUS OR LINE OR SYSTEM FAILURE, EVEN IF PRIMERICA, OR REPRESENTATIVES THEREOF, ARE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, LOSSES OR EXPENSES.

## **Accessibility**

Primerica is committed to excellence in serving all clients including people with disabilities in accordance with the *Accessibility for Ontarians with Disability Act, 2005 (the "AODA")* (<https://www.aoda.ca/the-act/>).

The purpose of the AODA is to develop, implement, and enforce standards to achieve

accessibility for persons with disabilities in the following areas: goods, services, facilities, information and communication, employment, transportation, buildings, structures and premises.

[Accessibility Compliance Report](#) (AODA\_Annual\_Compliance\_Report.pdf)

### **Accessible Customer Service**

Customer Service Policy Statement for Providing Products and Services to People with Disabilities

[DOWNLOAD PDF](#) (Customer\_Service\_Policy\_Statement.pdf)

Primerica's *Customer Service Policy Statement for Providing Products and Services to People with Disabilities* (Customer\_Service\_Policy\_Statement.pdf) demonstrates its commitment to sound governance, accountability and service excellence. As part of this commitment, Primerica will use reasonable efforts to ensure that our policies, practices and procedures are consistent with the following principles:

1. Products and services will be provided in a manner that respects the dignity and independence of persons with disabilities.
2. The provision of our products and services to persons with disabilities and others will be integrated unless an alternate measure is necessary, whether temporarily or on a permanent basis, to enable a person with disabilities to obtain, use or benefit from our products and services.
3. Persons with disabilities will be given an opportunity equal to that given to others to obtain, use and benefit from the products and services.

### **Training**

Primerica will train all Primerica representatives and Head Office employees and will ensure that any third parties who act on our behalf are aware of our procedures. For more details on our training program, please refer to the *Customer Service Policy Statement for Providing Products and Services to People with Disabilities* (Customer\_Service\_Policy\_Statement.pdf).

### **Notice of Service Disruptions**

Primerica will notify clients and visitors in the event of a planned or unexpected disruption in the facilities or services usually used by people with disabilities. This notice will include information about the reason for the disruption, its anticipated duration, and a description

will be placed on Primerica Canada's public website and/or at or near the affected Primerica related facility or service.

In the event of an unexpected disruption, Primerica shall provide notice as soon as is reasonably possible.

### **Feedback**

Primerica welcomes public input and comments on the provision of our products or services to persons with disabilities. Feedback helps identify areas where changes need to be considered and ways in which we can improve the delivery of Primerica products and services.

Feedback may be provided by telephone, in person, in writing, by e-mail or by filling out the Primerica Service Feedback form [☞](#) (feedback-form.pdf). We will consider the feedback provided and respond as soon as possible if requested.

### **Please direct feedback to: Primerica Canada Head Office**

#### **Attention: Regulatory Compliance**

6985 Financial Drive, Suite 400, Mississauga, Ontario L5N 0G3

Email: [canada\\_compliance@primerica.com](mailto:canada_compliance@primerica.com) (mailto:canada\_compliance@primerica.com)

Phone: (905) 812-2900

Fax: (905) 813-5314

For TTY/Teletypewriter users: (855)-774-8899

For further information, please refer to Primerica's *Customer Service Policy Statement for Providing Products and Services to People with Disabilities* [☞](#) (*Customer\_Service\_Policy\_Statement.pdf*).

## **Primerica's Accessibility Policy & Multi-Year Accessibility Plan (the "Accessibility Plan")**

### **Introduction and Statement of Commitment**

The Integrated Accessibility Standards Regulations (Ontario Regulation 191/11) ("IASR") under the *Accessibility for Ontarians with Disabilities Act, 2005* [☞](https://www.aoda.ca/the-act/) (<https://www.aoda.ca/the-act/>) require that effective January 1, 2014, Primerica must establish, implement, maintain and document accessibility policies and a multi-year accessibility plan which outlines Primerica's strategy to prevent and remove barriers for persons with disabilities and to meet its requirements under the IASR. Primerica has combined its accessibility policies and

its multi-year accessibility plan into one document. Please see the **Accessibility Plan**.

### **Download PDF** [🔗](#) (PFS\_Accessibility\_Policy\_and\_MYAP.pdf)

Under the IASR, the following accessibility strategies set out the requirements that are applicable to Primerica:

- workplace emergency response information;
- training;
- information and communication;
- employment; and
- built environment - design of public spaces standards

The **Accessibility Plan** outlines Primerica's strategy to prevent and remove barriers to address the current and future requirements of the IASR.

In accordance with the requirements set out in the IASR, Primerica will:



- post the Accessibility Plan on its website (<https://www.primericacanada.ca/>);
- provide the Accessibility Plan in an accessible format, upon request; and
- review and update the Accessibility Plan at least once every three years.

### **Other Primerica Resources**

- Primerica [🔗](https://www.primerica.com) (<https://www.primerica.com>)
- Primerica Canada [🔗](https://www.primericacanada.ca) (<https://www.primericacanada.ca>)
- Primerica Investor Relations [🔗](https://investors.primerica.com) (<https://investors.primerica.com>)
- Primerica Online [🔗](https://www.primericaonline.com) (<https://www.primericaonline.com>)
- Primerica Business Opportunity [🔗](https://www.primericabusinessopportunity.com) (<https://www.primericabusinessopportunity.com>) \*
- Primerica Newsroom [🔗](http://news.primerica.com) (<http://news.primerica.com>)
- Primerica Financial Needs Analysis [🔗](https://www.primericafna.com) (<https://www.primericafna.com>)
- Primerica Latino [🔗](https://www.primericalatino.com) (<https://www.primericalatino.com>) \*
- Primerica AALC [🔗](https://www.primericaaal.com) (<https://www.primericaaal.com>) \*
- Women In Primerica [🔗](https://www.womeninprimerica.com) (<https://www.womeninprimerica.com>)
- Primerica Financial Solutions [🔗](https://www.primericafinancialsolutions.com) (<https://www.primericafinancialsolutions.com>) \*
- My Primerica [🔗](https://my.primerica.com) (<https://my.primerica.com>)
- Primerica Photos [🔗](https://www.flickr.com/photos/primericafinancialservices/sets/) (<https://www.flickr.com/photos/primericafinancialservices/sets/>)
- Primerica Shareholder Services [🔗](https://portfolio.primerica.com) (<https://portfolio.primerica.com>)
- Primerica Blog [🔗](https://askprimerica.com) (<https://askprimerica.com>)
- Primerica | Facebook [🔗](https://www.facebook.com/primerica) (<https://www.facebook.com/primerica>)
- Primerica on Twitter [🔗](https://www.twitter.com/primerica) (<https://www.twitter.com/primerica>)
- Primerica on LinkedIn [🔗](https://www.linkedin.com/company/primerica) (<https://www.linkedin.com/company/primerica>)
- Primerica on Instagram [🔗](https://www.instagram.com/primerica/) (<https://www.instagram.com/primerica/>)

- [Primerica Logo](/public/primerica-logo.html)  (/public/primerica-logo.html) \*

\* This link is offered by U.S. Primerica Affiliates and does not contain Canadian or French language content.

Primerica [Privacy Notice \(canada\\_privacy.html\)](#) [Important Disclosures \(primerica\\_disclosures.html\)](#) [Terms & Conditions \(terms\\_conditions.html\)](#) [Careers](https://primerica.wd1.myworkdayjobs.com/PRI)  (https://primerica.wd1.myworkdayjobs.com/PRI) [HR](https://hr.primerica.com)  (https://hr.primerica.com) [Contact \(contact.html\)](#) [Find a Rep](https://reps.primerica.com/en-ca) (https://reps.primerica.com/en-ca) [Complaint Handling \(complaints-new.html\)](#) [Unclaimed Property \(unclaimed-property.html\)](#) [Accessibility \(primerica\\_disclosures.html#accessibility\)](#) [Claims \(claims.html\)](#) [Fair Treatment of Customers \(fair-treatment-of-customers.html\)](#)

©2023 Primerica [www.primericacanada.ca](https://www.primericacanada.ca) (https://www.primericacanada.ca)

 (https://twitter.com/Primerica)  (https://www.facebook.com/Primerica)  (https://www.linkedin.com/company/primerica)  (https://www.instagram.com/primerica)  (https://www.youtube.com/primerica)

**This is Exhibit “ 9 ” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023**



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**DEVYN TAYLOR ENS  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114**



## PRIMERICA GENERAL & RECRUITING DISCLOSURES – U.S. & CANADA

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PRIMERICA

THE BUSINESS OPPORTUNITY

COMPENSATION

INDEPENDENT BUSINESS APPLICATION FEES & INQUIRIES

PRIMERICA ONLINE FEES & INQUIRIES

RECRUITING INQUIRIES

OWNERSHIP

PARTNERSHIP

PRESS ROOM

## U.S. ONLY

### PRIMERICA PRODUCT & SERVICE DISCLOSURES – U.S. ONLY

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INSURANCE

INVESTMENTS AND SAVINGS

BUSINESS CONTINUITY

CHECK HANDLING PROCESS

PROTECTING AGAINST FINANCIAL EXPLOITATION

PRIMERICA MORTGAGE, LLC

2023 1129-LC-Primerica vs Marco Moukhaiber-Always Marco-Affidavit-Robert Fitzpatrick-2303 3143-BonkNote-79p

69 of 79

**69**

2023-11-23, 3:41 p.m.

## CONTACT US

## OTHER PRODUCTS – U.S. ONLY

Appropriately licensed sales representatives may also offer products or services of other non-affiliated companies, which include:

PRIMERICA SECURE

PRIMERICA LEGAL PROTECTION PROGRAM

ID THEFT DEFENSE<sup>SM</sup>

VIVINT

FINANCIAL NEEDS ANALYSIS

## SERVICE PROVIDER DISCLOSURES – U.S. ONLY

IDENTITY VERIFICATION AUTHORIZATION DISCLOSURE

## PRIMERICA GENERAL & RECRUITING DISCLOSURES – CANADA ONLY

PART-TIME BUSINESS OPPORTUNITY

## PRIMERICA PRODUCT & SERVICE DISCLOSURES – CANADA ONLY

INSURANCE

SECURITIES

## OTHER PRODUCTS & SERVICES – CANADA ONLY

DEBT CONSOLIDATION

PRE-PAID LEGAL SERVICES

VIVINT

FINANCIAL NEEDS ANALYSIS

CONTINUITY OF BUSINESS

**CANADA ONLY**

OTHER PRIMERICA RESOURCES

PRIMERICA

THE BUSINESS OPPORTUNITY

COMPENSATION

From January 1 through December 31, 2022 Primerica paid cash flow to sales representatives at an average of \$7,479, which includes commissions paid on all lines of business to licensed representatives. Figures include U.S. and Canadian dollars remaining in the local currency earned by the representative, not adjusted for exchange rates.

[Back to top](#)

INDEPENDENT BUSINESS APPLICATION FEES & INQUIRIES

PRIMERICA ONLINE FEES & INQUIRIES

RECRUITING INQUIRIES

OWNERSHIP

PARTNERSHIP

PRESS ROOM

INSURANCE

INVESTMENTS AND SAVINGS

BUSINESS CONTINUITY

CHECK HANDLING PROCESS

PROTECTING AGAINST FINANCIAL EXPLOITATION

PRIMERICA MORTGAGE, LLC

CONTACT US

PRIMERICA SECURE

PRIMERICA LEGAL PROTECTION PROGRAM

ID THEFT DEFENSE<sup>SM</sup>

VIVINT

FINANCIAL NEEDS ANALYSIS

## IDENTITY VERIFICATION AUTHORIZATION DISCLOSURE

## PART-TIME BUSINESS OPPORTUNITY

## INSURANCE

## SECURITIES

## DEBT CONSOLIDATION

## PRE-PAID LEGAL SERVICES

## VIVINT

## FINANCIAL NEEDS ANALYSIS

## CONTINUITY OF BUSINESS

## OTHER PRIMERICA RESOURCES

[Primerica Privacy & Security \(/public/privacy/privacy\\_notices.html\)](#)
[Important Disclosures \(/public/primerica\\_disclosures.html\)](#)  
[Primerica Mortgage, LLC \(NMLS ID #1723477\) Disclosures \(/public/primerica\\_mortgage\\_disclosures.html\)](#)  
[NMLSConsumerAccess.com \(https://www.nmlsconsumeraccess.org/\)](https://www.nmlsconsumeraccess.org/)
[Terms \(/public/terms\\_conditions.html\)](#)
[ADA Statement \(/public/ADA\\_Policy\\_Statement.html\)](#)
[Careers \(https://primerica.wd1.myworkdayjobs.com/PRI\)](#)
[HR \(https://hr.primerica.com\)](#)
[Primerica Health Plan Transparency Information \(https://experience100.ehr.com/nanosurprises-primerica/\)](#)
[Contact \(/public/contact.html\)](#)
[FAQ \(/public/frequently-asked-questions.html\)](#)
[Reviews \(/public/primerica\\_reviews.html\)](#)
[Find a Rep \(https://reps.primerica.com/\)](#)
[Form CRS \(/public/form-crs.html\)](#)  
 © 2023 Primerica [www.primerica.com \(https://www.primerica.com\)](https://www.primerica.com)

X (https://www.primerica.com)

This is Exhibit "10" referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023



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**DEVYN TAYLOR ENS**  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34680



PRIMERICA

Primerica, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

27-1204330

(I.R.S. Employer  
Identification No.)

1 Primerica Parkway  
Duluth, Georgia

(Address of principal executive offices)

30099

(ZIP Code)

Registrant's telephone number, including area code: (770) 381-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$0.01 Par Value

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The aggregate market value of the voting common equity held by non-affiliates of the registrant as of June 30, 2018, was \$ 4,316,019,688. The number of shares of the registrant's Common Stock outstanding at January 31, 2019, with \$0.01 par value, was 42,582,850.

representatives on the sales generated by their sales organization, our compensation structure aligns the interests of sales representatives with our interests in recruiting new representatives and creating sustainable sales production.

The following table provides information on new recruits and life insurance-licensed sales representatives:

	Year ended December 31,		
	2018	2017	2016
Number of new recruits	290,886	303,867	262,732
Number of newly life insurance-licensed sales representatives	48,041	48,535	44,724
Number of life insurance-licensed sales representatives, at period end	130,736	126,121	116,827
Average number of life insurance-licensed sales representatives during period	128,977	121,291	111,843

We define new recruits as individuals who have submitted an independent business application to become sales representatives together with payment of the nominal fee to commence their pre-licensing training. Certain recruits may not meet the compliance standards to become a sales representative, and others elect to withdraw prior to becoming actively engaged.

On average, it takes approximately three months for sales representatives to complete the necessary applications and pre-licensing coursework and to pass the applicable state or provincial examinations to obtain a license to sell our term life insurance products. As a result, individuals recruited to become sales representatives within a given fiscal period may not become licensed sales representatives or meet compliance standards until a subsequent period.

#### Sales Force Motivation, Training, Communication and Sales Support Tools

Motivating, training and communicating with the sales force are critical to our success and that of the sales force.

**Motivation.** Through our proven system of sales force recognition events, contests and communications, we provide incentives that drive our results. Motivation is driven in part by sales representatives' desire to achieve higher levels of financial success by building their own businesses as sales representatives. The opportunity to help underserved middle-income households address financial challenges is also a source of motivation for many sales representatives.

We motivate sales representatives to succeed in their businesses by:

- compensating sales representatives for product sales made by them and their sales organizations;
- training sales representatives on financial fundamentals so they can confidently and effectively assist our clients;
- reducing the administrative burden on the sales force, which allows them to devote more of their time to building a sales organization and selling products; and
- creating a culture in which sales representatives are encouraged to achieve goals through the recognition of their sales and recruiting achievements, as well as those of their sales organizations.

We conduct numerous local, regional and national meetings to help inform and motivate the sales force. In June 2019, we will be hosting our biennial international convention and associated meetings at the Georgia World Congress Center and Mercedes-Benz Stadium in Atlanta, Georgia. In previous years, tens of thousands of sales representatives, including new recruits, have attended our conventions and associated meetings at their own expense, which we believe further demonstrates their commitment to our organization and mission.

**Training, Communication and Sales Support Tools:** Primerica Online ("POL"), delivered through a secure Intranet website and a cross-platform mobile application ("Primerica App"), is our primary tool designed to support sales representatives and assist them in building their own businesses. We provide sales representatives with communication, training, and sales support tools on POL that allow both new and experienced sales representatives to offer financial information and products to our clients. POL provides sales representatives with access to various business tracking and management tools, licensing support tools, product-specific training, and sales procedures and tools. Additionally, POL provides access to internal training programs and videos covering sales, management skills, business ownership, and compliance. We also use POL to provide real-time recognition of sales representatives' successes and scoreboards for sales force production, contests, and incentive trips. In addition, POL is a gateway to our product providers and product support. Subscribers generally pay a small monthly fee to subscribe to POL, which helps cover the cost of developing new resources and maintaining this support system. A limited version of POL that provides access to Primerica e-mail, compliance and compensation information, newsletters and bulletins is available at no cost.

The primary features and tools available on POL include:

- **Training and Licensing Tools:** POL provides sales representatives with access to study tools for life insurance and securities licensing examinations such as pre-licensing study materials, on-demand videos, personalized licensing study plans, exam simulators, progress tracking, and exam and license registration. POL also provides access to obtain online certifications to sell certain other distributed products.
- **Communication Tools:** POL provides access to marketing materials for our product offerings, Company news and events, live streaming shows, on-demand videos, home office bulletins, Primerica e-mail, contact lists, and a hosted professional business



**This is Exhibit “ 11 ” referred to in the Affidavit of  
Robert L. FitzPatrick, sworn this 28<sup>th</sup> day of November, 2023**



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**DEVYN TAYLOR ENS  
A Commissioner for Oaths  
in and for Alberta  
My Commission Expires January 1, 2024  
Appointee # 0761114**

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2021

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34680



Primerica, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of  
incorporation or organization)

27-1204330

(I.R.S. Employer  
Identification No.)

1 Primerica Parkway  
Duluth, Georgia

(Address of principal executive offices)

30099

(ZIP Code)

Registrant's telephone number, including area code: (770) 381-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	PRI	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  Yes  No

The aggregate market value of the voting common equity held by non-affiliates of the registrant as of June 30, 2021, was \$ 6,014,884,680. The number of shares of the registrant's Common Stock outstanding at January 31, 2022, with \$0.01 par value, was 39,243,822.

Documents Incorporated By Reference

Certain information contained in the Proxy Statement for the Company's Annual Meeting of Stockholders to be held on May 11, 2022 is incorporated by reference into Part III hereof.

After the initial contact, prospective recruits typically are invited to an opportunity meeting, conducted in person or through remote communication tools, which is conducted by an RVP. The objective of an opportunity meeting is to inform prospective recruits about our mission and their opportunity to start their own businesses by becoming independent sales representatives. At the conclusion of each opportunity meeting, attendees who are interested are asked to complete an application and pay a nominal fee to commence their pre-licensing training and licensing examination preparation programs and, depending on the state or province, to cover their licensing exam registration costs, which are provided by the Company generally at no additional charge. Recruits are not obligated to purchase any of the products we offer in order to become independent sales representatives, though they may elect to make such purchases.

Recruits may become our clients or provide us with access to their friends, family members and personal acquaintances. As a result, we continually work to improve our systematic approach to recruiting and training new independent sales representatives.

Similar to other distribution systems that rely upon part-time independent sales representatives and typical of the life insurance industry in general, we experience wide disparities in the productivity of individual independent sales representatives. Many new recruits do not get licensed, often due to the time commitment required to obtain licenses and various regulatory and licensing hurdles. Many licensed independent sales representatives are only marginally active, as there are no minimum life insurance production requirements. As a result, we plan for this disparate level of productivity and view a continuous recruiting cycle as a key component of our distribution model. Our distribution model is designed to address the varying productivity associated with independent sales representatives by paying production-based compensation, emphasizing recruiting, and developing initiatives to address barriers to licensing new recruits. By providing commissions to independent sales representatives on the sales generated by their sales organization, our compensation structure aligns the interests of independent sales representatives with our interests in recruiting new representatives and creating sustainable sales production.

The following table provides information on new recruits and life insurance-licensed independent sales representatives:

	Year ended December 31,		
	2021	2020	2019
Number of new recruits	349,374	400,345	282,207
Number of newly life insurance-licensed independent sales representatives	39,622	48,106	44,739
Number of life insurance-licensed independent sales representatives, at period end	129,515	134,907 (1)	130,522
Average number of life insurance-licensed independent sales representatives during period	131,315	133,302	130,370

(1) Number of life insurance-licensed independent sales representatives, at December 31, 2020 includes 3,597 temporary licenses that were issued in response to the COVID-19 pandemic and 2,508 licenses that were extended due to the COVID-19 pandemic.

We define new recruits as individuals who have submitted an independent business application to become independent sales representatives together with payment of the nominal fee to commence their pre-licensing training. Certain recruits may not meet the compliance standards to become an independent sales representative, and others elect to withdraw prior to becoming actively engaged.

On average, it takes approximately three months for independent sales representatives to complete the necessary applications and pre-licensing coursework and to pass the applicable state or provincial examinations to obtain a license to sell our term life insurance products. Challenges associated with the COVID-19 pandemic led to a temporary suspension of in-person licensing preparation classes and the temporary closing of examinations centers, both of which led to representatives taking additional time to complete the licensing process in 2021. As a result, individuals recruited to become independent sales representatives within a given fiscal period may not become licensed independent sales representatives or meet compliance standards until a subsequent period.

#### Sales Force Motivation, Training, Communication and Sales Support Tools

Motivating, training and communicating with the independent sales force are critical to our success and that of the independent sales force.

**Motivation.** Through our proven system of sales force recognition events, contests and communications, we provide incentives that drive our results. Motivation is driven largely by independent sales representatives' desire to achieve higher levels of financial success by building their own businesses. The opportunity to help underserved middle-income households address financial challenges is also a source of motivation for many independent sales representatives.

We motivate independent sales representatives to succeed in their businesses by:

- compensating independent sales representatives for product sales or referrals made by them and their sales organizations;
- training independent sales representatives on financial fundamentals so they can confidently and effectively assist our clients;
- reducing the administrative burden on the independent sales force, which allows them to devote more of their time to building a sales organization and selling products;
- creating a culture in which independent sales representatives are encouraged to achieve goals through the recognition of their sales and recruiting achievements, as well as those of their sales organizations; and
- conducting numerous local, regional and national meetings to help inform and motivate the independent sales force.