

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

RACHAEL WEBSTER, LAUREN PORSCH,
HOLLY LEDERER, SARA GATES, DONNA
NEWMAN, CHRISTINE PROKOP,
LORRAINE SNODGRASS, ALISON
WHITEHEAD, MELISSA HILL, MAUREEN
MCGUINNESS, and AMANDA CLOSE
individually and on behalf of all others
similarly situated,

Plaintiffs,

v.

LLR, INC., d/b/a LuLaRoe,

Defendant.

Case No. 2:17-cv-00225-DSC

**DEFENDANT LLR, INC.'S ANSWER AND AFFIRMATIVE DEFENSES TO
PLAINTIFFS' FIRST AMENDED CLASS ACTION COMPLAINT**

Defendant LLR, Inc., d/b/a LuLaRoe (“LLR”), by and through its attorneys Eckert Seamans Cherin & Mellott, LLC, hereby files the following Answer and Affirmative Defenses to Plaintiffs’ First Amended Class Action Complaint filed June 14, 2017 (the “Complaint”).

RESPONSE TO INTRODUCTORY ALLEGATIONS

1. LLR admits that Paragraph 1 of the Complaint generally describes the nature of the action as a purported class action and generally summarizes the nature of the alleged wrongdoing. To the extent Paragraph 1 purports to allege anything more, it is a conclusion of law to which no response is required.

2. Responding to Paragraph 2 of the Complaint, LLR admits that it is a multilevel-marketing company that sells clothing through independently owned and operated fashion consultants who are referred to as Independent Fashion Retailers (“Independent Retailers”) located in all fifty states.

3. Responding to Paragraph 3 of the Complaint, LLR admits that at certain times that may be relevant to the Complaint, LLR had in effect policies and procedures that required Independent Retailers to process sales through a proprietary, online point-of-sale payment platform, called "Audrey," but denies that these policies and procedures were in effect or enforced at all times that may be relevant to the Complaint. LLR further denies that Independent Retailers process payments through Audrey.

4. Responding to Paragraph 4 of the Complaint, LLR admits that Audrey calculated and charged sales taxes based on the location of Independent Retailers. The remaining allegations in Paragraph 4 are conclusions of law to which no response is required.

5. Responding to Paragraph 5 of the Complaint, LLR denies the allegations contained in this paragraph.

6. Responding to Paragraph 6 of the Complaint, LLR admits that Plaintiffs purport to bring this action on behalf of themselves and a putative class, but denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate. LLR further admits that Paragraph 6 generally describes the nature of the claims that are alleged in the Complaint. To the extent Paragraph 6 purports to allege anything more, it is a conclusion of law to which no response is required.

7. Paragraph 7 of the Complaint provides only a summary of the relief that is sought by this class action. To the extent Paragraph 7 purports to allege anything more, it is a conclusion of law to which no response is required.

RESPONSE TO ALLEGATIONS CONCERNING JURISDICTION AND VENUE

8. Responding to Paragraph 8 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. The allegations set forth in Paragraph 8 also are conclusions of law to which no response is required.

9. Responding to Paragraph 9 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this

paragraph, and on that basis denies each and every allegation contained therein. The allegations set forth in Paragraph 9 also are conclusions of law to which no response is required.

10. Responding to Paragraph 10 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. The allegations set forth in Paragraph 10 also are conclusions of law to which no response is required.

RESPONSE TO ALLEGATIONS CONCERNING THE PARTIES

11. Responding to Paragraph 11 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

12. Responding to Paragraph 12 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

13. Responding to Paragraph 13 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

14. Responding to Paragraph 14 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

15. Responding to Paragraph 15 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

16. Responding to Paragraph 16 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

17. Responding to Paragraph 17 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this

paragraph, and on that basis denies each and every allegation contained therein.

18. Responding to Paragraph 18 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

19. Responding to Paragraph 19 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

20. Responding to Paragraph 20 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

21. Responding to Paragraph 21 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

22. LLR admits the allegations contained in Paragraph 22 of the Complaint.

23. Responding to Paragraph 23 of the Complaint, LLR admits that it sells clothing, including shirts, skirts, dresses, and leggings, at wholesale to more than 35,000 Independent Retailers located in all fifty states who, in turn, resell this clothing to consumers, but LLR denies that it sells clothing to consumers.

24. Responding to Paragraph 24 of the Complaint, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein.

RESPONSE TO STATEMENT OF FACTS

25. The allegation in Paragraph 25 of the Complaint is a conclusion of law to which no response is required.

26. The allegation in Paragraph 26 of the Complaint is a conclusion of law to which no response is required.

27. The allegations in Paragraph 27 are conclusions of law to which no response is

required.

28. The allegations in Paragraph 28 of the Complaint are conclusions of law to which no response is required.

29. Responding to Paragraph 29 of the Complaint, LLR admits that it provides a point of sale system to assist Independent Retailers with the collection and remittance of sales taxes. However, some Independent Retailers choose to manage their own sales taxes.

30. Responding to Paragraph 30 of the Complaint, LLR admits that it is generally aware of and knowledgeable about sales tax collection and assessment procedures on clothing. However, LLR is without sufficient knowledge or information to form a belief to the truth of the allegations contained in Paragraph 30 to the extent they purport to refer to specific but unidentified sales tax collection or assessment procedures, and on that basis denies each and every allegation that purports to do so.

31. LLR is without sufficient knowledge or information to form a belief to the truth of the allegations contained in Paragraph 31, and on that basis denies each and every allegation that purports to do so.

32. Responding to Paragraph 32 of the Complaint, LLR admits that Audrey was a proprietary, online point-of-sale system through which Independent Retailers processed sales, but denies that Audrey is currently used to process sales or that it was used to process all sales before its use was discontinued. LLR further admits that its written policies and procedures instructed Independent Retailers to use Audrey, but denies that LLR strictly mandated that all Independent Retailers use Audrey or that all Independent Retailers used Audrey.

33. Responding to Paragraph 33 of the Complaint, LLR admits that prior to early-2016 it utilized an independent company called Controlpad to develop software for Audrey.

34. Responding to Paragraph 34 of the Complaint, LLR admits that prior to April 2016, Audrey had a feature that allowed Independent Consultants to manually override the assessment of sales taxes.

35. LLR denies the allegations in Paragraph 35 of the Complaint as stated. By way

of further response, LLR states that, in approximately April 2016, LLR took possession of the software for Audrey from Controlpad.

36. Responding to Paragraph 36 of the Complaint, LLR admits that Audrey was not capable of calculating and charging sales taxes based on the “ship to address” and was only capable of calculating and charging sales taxes based on the location of the Independent Retailer who made the sale, but LLR denies that it reconfigured Audrey to calculate and charge sales taxes in this manner. LLR further admits that in April 2016 it removed a feature from Audrey that allowed Independent Retailers to override the assessment of sales taxes because it learned that many Independent Retailers were overriding the assessment on otherwise taxable sales. LLR denies that it removed the Independent Retailers’ ability to control or adjust sales taxes on sales transactions they made to their customers. The remaining allegations in Paragraph 36 are conclusions of law to which no response is required. To the extent the remaining allegations are deemed factual, the allegations are denied.

37. LLR is without sufficient knowledge or information to form a belief to the truth of the allegations contained in Paragraph 37, and on that basis denies each and every allegation that purports to do so.

38. Responding to Paragraph 38 of the Complaint, LLR admits that Audrey’s inability to calculate and charge sales taxes based on the “ship to address” was problematic, but denies that this problem currently exists. To the extent Paragraph 38 purports to allege anything more, it is a conclusion of law to which no response is required.

39. The allegations in Paragraph 39 of the Complaint purport to be based upon various state statutes and regulations, which statutes and regulations speak for themselves and any characterizations thereof are denied. These allegations are also conclusions of law to which no response is required.

40. The allegations in Paragraph 40 of the Complaint are conclusions of law to which no response is required by LLR. To the extent the allegations are deemed factual, the allegations are denied.

41. The allegations in Paragraph 41 of the Complaint are conclusions of law to which no response is required. To extent a response it required, LLR denies that any sales taxes charged and collected is not remitted to the taxing authority on whose behalf the sales taxes were charged and collected.

42. Responding to Paragraph 42 of the Complaint, LLR admits that several Plaintiffs made multiple purchases from Independent Retailers located in jurisdictions that impose sales taxes on clothing, but is without sufficient knowledge or information to form a belief as to the truth of the allegations with respect to each Plaintiff, and on that basis denies each and every allegation to the extent it purports to relate to each Plaintiff or all Plaintiffs. LLR further denies that any Independent Retailer was working for LLR.

43. Responding to Paragraph 43 of the Complaint, LLR admits that some of the purchases made by Plaintiffs were delivered to taxing jurisdictions that either do not impose sales tax or exempt such sales tax on clothing. However, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations with respect to all deliveries and all Plaintiffs, and on that basis denies each and every allegation to the extent it purports to relate to all deliveries and all Plaintiffs.

44. Responding to Paragraph 44 of the Complaint, LLR denies the allegations contained in this paragraph.

45. Responding to Paragraph 45 of the Complaint, LLR admits that invoices generated by Audrey identify the amount of sales tax that is charged and identifies such sales tax as a "tax." LLR is without sufficient knowledge or information to form a belief as to the truth of the remaining allegations contained in this paragraph, and on that basis denies each and every remaining allegation contained therein.

46. The allegations in Paragraph 46 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

47. The allegations in Paragraph 47 of the Complaint are conclusions of law to

which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

48. LLR denies the allegations contained in Paragraph 48 of the Complaint.

49. The allegations in Paragraph 49 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

50. Responding to Paragraph 50 of the Complaint, LLR admits that some Independent Retailers questioned or disagreed with the sales tax policy that LLR advised Independent Retailers to follow in April 2016, but LLR continued its sales tax policy. LLR denies that the point of sale system currently used by Independent Retailers charges sales taxes on purchases that are delivered to taxing jurisdictions that do not have sales taxes or exempts clothing from such sales taxes. To the extent Paragraph 50 purports to allege anything more, it is a conclusion of law to which no response is required. To the extent any remaining allegations are deemed factual, the allegations are denied.

51. Responding to Paragraph 51 of the Complaint, LLR denies it is collecting sales taxes or has ever collected sales taxes for its own benefit. Indeed, all sales taxes collected by LLR are placed in a segregated sales tax account and are promptly remitted to the sales taxing authority for whose benefit the sales taxes were charged and collected. To the extent Paragraph 51 purports to allege anything more, it is a conclusion of law to which no response is required. To the extent any remaining allegations are deemed factual, the allegations are denied.

52. LLR denies the allegations contained in Paragraph 52 of the Complaint.

53. Responding to Paragraph 53 of the Complaint, LLR does not advertise the retail price of its products. Retail prices for LLR's products are established by the Independent Retailers who sell these products to consumers. Thus, to the extent the allegations in Paragraph 53 are intended to relate to LLR they are denied. LLR is without sufficient knowledge or information to form a belief as to the truth of allegations relating to the manner in which Independent Retailers advertise the price of products they sell, and on that basis denies each and

every allegation contained in Paragraph 53. However, LLR denies that consumers do not become aware of whether a sales tax is included on a retail sales transaction, and the amount of any sales tax included on the transaction, before they complete the sales transaction. The invoices consumers receive before they complete a purchase identifies the amount of any sales tax included as a “tax.”

54. Responding to Paragraph 54 of the Complaint, LLR denies that consumers are forced to pay sales taxes on purchases for which they dispute the imposition of a sales tax. All consumers receive an online invoice that identifies whether a sales tax is being charged on each purchase and the amount of the sales tax charged before they complete the sales transaction. To the extent Paragraph 54 purports to allege anything more, it is a conclusion of law to which no response is required. To the extent any remaining allegations are deemed factual, the allegations are denied.

55. LLR denies the allegations contained in Paragraph 55 of the Complaint.

56. Responding to Paragraph 56 of the Complaint, LLR denies that Plaintiffs or any putative class members have been injured by LLR’s alleged conduct or will be injured in the future if they continue to purchase goods from Independent Retailers. To the extent Paragraph 56 purports to allege anything more, it is a conclusion of law to which no response is required. To the extent any remaining allegations are deemed factual, the allegations are denied.

57. LLR denies the allegations contained in Paragraph 57 of the Complaint.

58. The allegations in Paragraph 58 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

59. The allegations in Paragraph 59 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

RESPONSE TO CLASS ACTION ALLEGATIONS

60. LLR admits only that Plaintiffs purport to bring this action on behalf of themselves and purported classes, but denies that Plaintiffs have pleaded proper classes or named proper class representatives and that certification of the purported classes are

appropriate. The remaining allegations in Paragraph 60 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

61. The allegations in Paragraph 61 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

62. The allegations in Paragraph 62 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

63. The allegations in Paragraph 63 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

64. The allegations in Paragraph 64 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

65. The allegations in Paragraph 65 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. LLR

further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

66. The allegations in Paragraph 66 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

67. The allegations in Paragraph 67 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

68. The allegations in Paragraph 68 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, LLR is without sufficient knowledge or information to form a belief as to the truth of the allegations contained in this paragraph, and on that basis denies each and every allegation contained therein. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

69. The allegations in Paragraph 69 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied. LLR further denies that Plaintiffs have pleaded a proper class or named proper class representatives and that certification of the putative class is appropriate.

RESPONSE TO CLAIMS

Response to Count 1 -- Breach of Constructive Trust

70. Paragraph 70 of the Complaint is an incorporation paragraph to which no

response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-69 of the Complaint, as if fully set forth herein.

71. The allegations in Paragraph 71 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiffs have pleaded proper classes or that they are proper class representatives and that certification of the putative classes is appropriate.

72. The allegations in Paragraph 72 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

73. The allegations in Paragraph 73 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

74. The allegations in Paragraph 74 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

75. The allegations in Paragraph 75 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

76. The allegations in Paragraph 76 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count II -- Unjust Enrichment

77. Paragraph 77 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-76 of the Complaint, as if fully set forth herein.

78. The allegations in Paragraph 78 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiffs have pleaded proper classes or

that they are proper class representatives and that certification of the putative classes is appropriate.

79. The allegations in Paragraph 79 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

80. The allegations in Paragraph 80 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

81. The allegations in Paragraph 81 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

82. The allegations in Paragraph 82 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count III – Claim for Violation of Pennsylvania Unfair Trade Practices and Consumer Protection Law

83. Paragraph 83 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-82 of the Complaint, as if fully set forth herein.

84. The allegations in Paragraph 84 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Webster has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

85. LLR admits the allegations contained in Paragraph 85 of the Complaint.

86. LLR admits the allegations contained in Paragraph 86 of the Complaint.

87. The allegations in Paragraph 87 of the Complaint are conclusions of law to which no response is required.

88. The allegations in Paragraph 88 of the Complaint are conclusions of law to which no response is required.

89. The allegations in Paragraph 89 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

90. The allegations in Paragraph 90 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

91. Responding to Paragraph 91 of the Complaint, LLR admits that invoices sent to Plaintiff Webster and putative class members identified any sales taxes charged as a “tax.” LLR denies the remaining allegations contained in Paragraph 91.

92. Responding to Paragraph 92 of the Complaint, LLR denies that it represented to Plaintiff Webster or the putative class members that it was collecting and remitting taxes to the taxing authorities in which Plaintiff Webster and the putative class members reside and further denies that it collected sales taxes for itself. The remaining allegations in Paragraph 92 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

93. The allegations in Paragraph 93 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

94. The allegations in Paragraph 94 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

95. The allegations in Paragraph 95 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

96. The allegations in Paragraph 96 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

97. The allegations in Paragraph 97 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count IV – Claim for Violation New York General Business Law §§ 349

98. Paragraph 98 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-97 of the Complaint, as if fully set forth herein.

99. The allegations in Paragraph 99 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Porsch has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

100. The allegations in Paragraph 100 of the Complaint are conclusions of law to which no response is required.

101. The allegations in Paragraph 101 of the Complaint are conclusions of law to which no response is required.

102. The allegations in Paragraph 102 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

103. The allegations in Paragraph 103 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

104. LLR denies the allegations in Paragraph 104 of the Complaint.

105. The allegations in Paragraph 105 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

106. The allegations in Paragraph 106 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations

are denied.

107. The allegations in Paragraph 107 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

108. The allegations in Paragraph 108 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

109. The allegations in Paragraph 109 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count V – Claim for Violation of Minnesota Private Attorney General Statute

110. Paragraph 110 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-109 of the Complaint, as if fully set forth herein.

111. The allegations in Paragraph 111 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Lederer has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

112. The allegations in Paragraph 112 of the Complaint are conclusions of law to which no response is required.

113. The allegations in Paragraph 113 of the Complaint are conclusions of law to which no response is required.

114. LLR admits the allegations in Paragraph 114 of the Complaint.

115. The allegations in Paragraph 115 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

116. Responding to Paragraph 116 of the Complaint, LLR denies that it represented

to Plaintiff Lederer or the putative class members that it was collecting and remitting sales taxes to the taxing authorities in which Plaintiff Lederer and the putative class members reside. The remaining allegations in Paragraph 116 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

117. The allegations in Paragraph 117 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

118. The allegations in Paragraph 118 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

119. The allegations in Paragraph 119 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

120. The allegations in Paragraph 120 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

121. The allegations in Paragraph 121 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

122. The allegations in Paragraph 122 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count VI – Claim for Violation of Minnesota Deceptive Trade Practices Act

123. Paragraph 123 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-122 of the Complaint, as if fully set forth herein.

124. The allegations in Paragraph 124 of the Complaint are conclusions of law to

which no response is required. LLR further denies that Plaintiff Lederer has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

125. The allegations in Paragraph 125 of the Complaint are conclusions of law to which no response is required.

126. The allegations in Paragraph 126 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

127. The allegations in Paragraph 127 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

128. The allegations in Paragraph 128 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

129. The allegations in Paragraph 129 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

130. The allegations in Paragraph 130 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

131. The allegations in Paragraph 131 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count VII – Claim for Violation of New Hampshire Consumer Protection Act

132. Paragraph 132 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-131 of the Complaint, as if fully set forth herein.

133. The allegations in Paragraph 133 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Gates has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

134. LLR admits the allegations in Paragraph 134 of the Complaint.

135. The allegations in Paragraph 135 of the Complaint are conclusions of law to which no response is required.

136. The allegations in Paragraph 136 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

137. The allegations in Paragraph 137 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

138. Responding to Paragraph 138 of the Complaint, LLR denies that it represented to Plaintiff Gates or the putative class members that it was collecting and remitting sales taxes to the taxing authorities in which Plaintiff Gates and the putative class members reside. The remaining allegations in Paragraph 138 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

139. The allegations in Paragraph 139 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

140. The allegations in Paragraph 140 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

141. The allegations in Paragraph 141 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

142. The allegations in Paragraph 142 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

143. The allegations in Paragraph 143 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count VIII – Claim for Violation of Delaware Consumer Fraud Act

144. Paragraph 144 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-143 of the Complaint, as if fully set forth herein.

145. The allegations in Paragraph 145 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Newman has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

146. LLR admits the allegations in Paragraph 146 of the Complaint.

147. The allegations in Paragraph 147 of the Complaint are conclusions of law to which no response is required.

148. The allegations in Paragraph 148 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

149. Responding to Paragraph 149 of the Complaint of the Complaint, LLR denies that it represented to Plaintiff Newman or the putative class members that it was collecting and remitting sales taxes to the taxing authorities in which Plaintiff Newman and the putative class members reside. The remaining allegations in Paragraph 149 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

150. The allegations in Paragraph 150 of the Complaint are conclusions of law to

which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

151. The allegations in Paragraph 151 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

152. The allegations in Paragraph 152 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

153. The allegations in Paragraph 153 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count IX – Claim for Violation of Delaware Deceptive Trade Practices Act

154. Paragraph 154 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-153 of the Complaint, as if fully set forth herein.

155. The allegations in Paragraph 155 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Newman has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

156. LLR admits the allegations in Paragraph 156 of the Complaint.

157. The allegations in Paragraph 157 of the Complaint are conclusions of law to which no response is required.

158. The allegations in Paragraph 158 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

159. Responding to Paragraph 159 of the Complaint, LLR denies that it represented to Plaintiff Newman or the putative class members that it was collecting and remitting sales

taxes to the taxing authorities in which Plaintiff Newman and the putative class members reside. The remaining allegations in Paragraph 159 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

160. The allegations in Paragraph 160 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

161. The allegations in Paragraph 161 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

162. The allegations in Paragraph 162 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

***Response to Count X – Claim for Violation of Alaska Unfair
Trade Practices and Consumer Protection Act***

163. Paragraph 163 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-162 of the Complaint, as if fully set forth herein.

164. The allegations in Paragraph 164 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Prokop has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

165. The allegations in Paragraph 165 of the Complaint are conclusions of law to which no response is required.

166. The allegations in Paragraph 166 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

167. The allegations in Paragraph 167 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations

are denied.

168. The allegations in Paragraph 168 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

169. The allegations in Paragraph 169 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

170. The allegations in Paragraph 170 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

171. The allegations in Paragraph 171 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count XI – Claim for Violation of Oregon Unlawful Trade Practices Act

172. Paragraph 172 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-171 of the Complaint, as if fully set forth herein.

173. The allegations in Paragraph 173 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff McGuinness has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

174. The allegations in Paragraph 174 of the Complaint are conclusions of law to which no response is required.

175. The allegations in Paragraph 175 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

176. Responding to Paragraph 176 of the Complaint, LLR denies that it represented

to Plaintiff McGuinness or the putative class members that it was collecting and remitting sales taxes to the taxing authorities in which Plaintiff McGuinness and the putative class members reside. The remaining allegations in Paragraph 176 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

177. The allegations in Paragraph 177 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

178. The allegations in Paragraph 178 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

179. The allegations in Paragraph 179 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

180. The allegations in Paragraph 180 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

181. The allegations in Paragraph 181 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count XII – Claim for Violation of Montana Consumer Protection Act

182. Paragraph 182 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-181 of the Complaint, as if fully set forth herein.

183. The allegations in Paragraph 183 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Hill has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

184. The allegations in Paragraph 184 of the Complaint are conclusions of law to which no response is required.

185. The allegations in Paragraph 185 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

186. Responding to Paragraph 186 of the Complaint, LLR denies that it represented to Plaintiff Hill or the putative class members that it was collecting and remitting sales taxes to the taxing authorities in which Plaintiff Hill and the putative class members reside. The remaining allegations in Paragraph 186 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

187. The allegations in Paragraph 187 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

188. The allegations in Paragraph 188 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

189. The allegations in Paragraph 189 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

190. The allegations in Paragraph 190 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

191. The allegations in Paragraph 191 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count XIII – Claim for Violation of New Jersey Consumer Fraud Act

192. Paragraph 192 of the Complaint is an incorporation paragraph to which no

response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-191 of the Complaint, as if fully set forth herein.

193. The allegations in Paragraph 193 of the Complaint are conclusions of law to which no response is required. LLR further denies that Plaintiff Snodgrass has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

194. The allegations in Paragraph 194 of the Complaint are conclusions of law to which no response is required.

195. The allegations in Paragraph 195 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

196. Responding to Paragraph 196 of the Complaint, LLR denies that it represented to Plaintiff Snodgrass or the putative class members that it was collecting and remitting sales taxes to the taxing authorities in which Plaintiff Snodgrass and the putative class members reside. The remaining allegations in Paragraph 196 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

197. The allegations in Paragraph 197 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

198. The allegations in Paragraph 198 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

199. The allegations in Paragraph 199 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

200. The allegations in Paragraph 200 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations

are denied.

201. The allegations in Paragraph 201 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count XIV – Claim for Violation of Vermont Consumer Fraud Act

202. Paragraph 202 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-201 of the Complaint, as if fully set forth herein.

203. The allegations in Paragraph 203 of the Complaint are conclusions of law to which no response is required by LLR. LLR further denies that Plaintiff Close has pleaded a proper class or that she is a proper class representative and that certification of the putative class is appropriate.

204. The allegations in Paragraph 204 of the Complaint are conclusions of law to which no response is required.

205. The allegations in Paragraph 205 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

206. Responding to Paragraph 206 of the Complaint, LLR denies that it represented to Plaintiff Close or the putative class members that it was collecting and remitting sales taxes to the taxing authorities in which Plaintiff Close and the putative class members reside. The remaining allegations in Paragraph 206 are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

207. The allegations in Paragraph 207 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

208. The allegations in Paragraph 208 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations

are denied.

209. The allegations in Paragraph 209 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

210. The allegations in Paragraph 210 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

211. The allegations in Paragraph 211 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

Response to Count XV – Conversion and Misappropriation

212. Paragraph 212 of the Complaint is an incorporation paragraph to which no response is required. By way of further response, LLR repeats and incorporates by reference its responses to the allegations of Paragraphs 1-211 of the Complaint, as if fully set forth herein.

213. The allegations in Paragraph 213 of the Complaint are conclusions of law to which no response is required by LLR. LLR further denies that Plaintiffs have pleaded proper classes or that they are proper class representatives and that certification of the putative classes is appropriate.

214. The allegations in Paragraph 214 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

215. The allegations in Paragraph 215 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

216. The allegations in Paragraph 216 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

217. The allegations in Paragraph 217 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, LLR denies that it converted or misappropriated any funds. LLR is without sufficient knowledge or information to form a belief to the truth of allegations relating to unspecified “regulations of the taxing authorities in which Plaintiff and individual class members reside,” and on that basis denies each and every such allegation.

218. The allegations in Paragraph 218 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

219. The allegations in Paragraph 219 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

220. The allegations in Paragraph 220 of the Complaint are conclusions of law to which no response is required. To the extent the allegations are deemed factual, the allegations are denied.

AFFIRMATIVE DEFENSES

First Affirmative Defense

221. The Complaint, and each of the purported claims for relief alleged therein, fails to state facts sufficient to constitute any claim for relief against LLR.

Second Affirmative Defense

222. The Complaint, and each of the purported claims for relief alleged therein, fails to plead each claim for relief with the particularity required under Federal Rules of Civil Procedure, Rules 8 and 9.

Third Affirmative Defense

223. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because LLR’s national sales tax policies were accurate and appropriate, or supported with reasonable basis for its adoption and use.

Fourth Affirmative Defense

224. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part by the doctrine of waiver.

Fifth Affirmative Defense

225. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part by applicable statutes of limitations.

Sixth Affirmative Defense

226. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part by the doctrine of estoppel.

Seventh Affirmative Defense

227. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part by the doctrines of consent, acquiescence, and laches.

Eighth Affirmative Defense

228. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because of and to the extent of Plaintiffs' failure to mitigate damages.

Ninth Affirmative Defense

229. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part to the extent there is an adequate remedy at law.

Tenth Affirmative Defense

230. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because the alleged wrongful conduct on LLR's part was not willful.

Eleventh Affirmative Defense

231. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because the alleged wrongful conduct on LLR's part was justified.

Twelfth Affirmative Defense

232. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part by the applicable principles of acceptance and ratification.

Thirteenth Affirmative Defense

233. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because Plaintiffs do not have standing to assert the claims alleged in the Complaint.

Fourteenth Affirmative Defense

234. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because LLR lacked scienter or knowledge of the facts and circumstances giving rise to the claims asserted in the Complaint.

Fifteenth Affirmative Defense

235. The Complaint, and each of the purported claims for relief alleged therein, is expressly and/or impliedly preempted by federal law.

Sixteenth Affirmative Defense

236. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part by the doctrines of primary and/or exclusive regulatory jurisdiction.

Seventeenth Affirmative Defense

237. Plaintiffs have suffered no cognizable damage or injury attributable to LLR as a result of the matters alleged in the Complaint.

Eighteenth Affirmative Defense

238. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because the alleged wrongdoing did not proximately cause Plaintiffs' injury.

Nineteenth Affirmative Defense

239. As to each and every claim for relief contained in the Complaint, Plaintiffs do not constitute a proper representative of the purported class, are not qualified to protect and represent fairly and adequately the interests of every member of the purported class, and do not have claims typical of other class members.

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Twentieth Affirmative Defense

239. The Complaint, and each claim for relief purportedly alleged against LLR, fails to set forth facts sufficient to constitute a class action, among other things, members of the class have divergent interests, and questions of law and fact affecting only individual members of the purported class predominate over questions of law or fact common to members of the purported class and class action is not superior to other available methods for the fair and efficient adjudication of this controversy and counsel for the purported class is not suitable.

Twenty-First Affirmative Defense

240. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because the conduct alleged therein complies with applicable law.

Twenty-Second Affirmative Defense

241. The Complaint fails to state a claim against LLR upon which relief can be granted for punitive or exemplary damages.

Twenty-Third Affirmative Defense

242. LLR denies any conduct for which punitive or exemplary damages could or should be awarded and denies that Plaintiffs have alleged sufficient facts to support or sustain the imposition of punitive or exemplary damages against LLR pursuant to the applicable standard(s) of proof.

Twenty-Fourth Affirmative Defense

243. With respect to any demand by Plaintiffs for demand for punitive or exemplary damages, LLR specifically incorporates by reference any and all standards or limitations regarding the determination and enforceability of punitive or exemplary damages awards under applicable state laws.

Twenty-Fifth Affirmative Defense

244. Plaintiffs' claims are barred in whole or in part because Plaintiffs' claims of violations of various consumer protection and trade practice laws are insufficiently definite to provide adequate or fair notice of the conduct proscribed, in violation of the Due Process

Clauses of the Fifth and Fourteenth Amendments to the United States Constitution and Article 1, Section 7 of the California Constitution.

Twenty-Sixth Affirmative Defense

245. The Complaint, and each of the purported claims for relief alleged therein, is barred in whole or in part because Plaintiffs did not rely on any of the alleged conduct complained of in the Complaint or any advertising or other representation by LLR concerning sales taxes.

Twenty-Seventh Affirmative Defense

246. Plaintiffs and the putative class have not suffered, and will not suffer, any injury to a legally protected or cognizable interest by reason of the conduct of LLR as alleged in Complaint.

Twenty-Eighth Affirmative Defense

247. This action cannot be maintained as a class action because the named Plaintiffs and the putative class cannot satisfy the procedural requirements of Fed. R. Civ. P. 23.

Twenty-Ninth Sixth Affirmative Defense

248. Plaintiffs' and the putative class' claims are barred, in whole or in part, because they would be unjustly enriched if allowed to recover any portion of the damages alleged in the Complaint.

Thirtieth Affirmative Defense

249. Plaintiffs' and the putative class' claims are barred, in whole or in part, because they failed to provide written notice to LLR requesting a sales tax refund under the applicable sales and use tax laws before filing this action.

Thirtieth-First Affirmative Defense

250. Plaintiffs' and the putative class' claims are barred, in whole or in part, because they failed to provide written notice to LLR before seeking any monetary or injunctive relief under the under the consumer protection and deceptive trade practice laws alleged in the Complaint before filing this action.

Thirty-Second Affirmative Defense

251. Plaintiffs' and the putative class' claims are barred, in whole or in part, because any injuries sustained by Plaintiffs or the putative class were the result of intervening or superseding conduct of third parties.

Thirty-Third Affirmative Defense

252. Any damages recovered by the Plaintiffs and the putative class members from LLR must be limited by any applicable statutory ceilings on recoverable damages.

Thirty-Fourth Affirmative Defense

253. Plaintiff and the putative class fail to allege facts or a cause of action against LLR sufficient to support a claim for attorneys' fees, treble damages, and/or legal fees.

Thirty-Fifth Affirmative Defense

254. Plaintiffs' and the putative class' claims are barred because LLR lacked the necessary knowledge and/or intent required by the claims that Plaintiffs assert.

Thirty-Sixth Affirmative Defense

255. LLR reserves all affirmative defenses under Fed. R. Civ. P. 8(c) and any other defenses, at law or in equity, that may now exist or in the future be available based on discovery and further factual investigation in this case.

PRAYER FOR RELIEF

WHEREFORE, having fully answered the Complaint, LLR prays for judgment on the Complaint as follows:

1. That certification of the putative class be denied;
2. That Plaintiffs' Complaint be dismissed and that Plaintiffs take nothing from LLR by virtue of the Complaint;
3. That judgment be entered in favor of LLR and against Plaintiffs;
4. That LLR be awarded its costs of suit;
5. That LLR be awarded reasonable attorney's fees as may be allowed by statutes alleged in the Complaint; and

6. For such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

LLR hereby demands a trial by jury, pursuant to Fed. R. Civ. P. 38(b), on all issues so triable.

Dated: July 7, 2017

Respectfully Submitted,

By: /s/ Timothy P. Ryan

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