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US DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO, FLORIDA

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

FEDERAL TRADE COMMISSION,
Plaintiff,

v.

MOBE Ltd., also d/b/a **MOBE**, also d/b/a **My Online Business Education**, also d/b/a **My Own Business Empire**, a Malaysian limited liability company,

MOBEProcessing.com, Inc., a Delaware corporation,

Transaction Management USA, Inc., a Delaware corporation,

MOBETraining.com, Inc., a Delaware corporation,

9336-0311 Quebec Inc., also d/b/a **Business Education Training**, a Canada corporation,

MOBE Pro Limited, an United Kingdom limited liability company,

MOBE Inc., a Panama corporation, **MOBE Online Ltd.**, a Mauritius limited liability company,

Matt Lloyd Publishing.com Pty Ltd., also d/b/a **Matt Lloyd Publishing**, also d/b/a **Home Business Builders**, an Australia limited liability company,

Matthew Lloyd McPhee, a/k/a **Matt Lloyd**, individually and as an officer, member and/or manager of MOBE Ltd., MOBEProcessing.com, Inc., MOBETraining.com, Inc., 9336-0311 Quebec Inc., MOBE Pro Limited, MOBE Inc., MOBE Online Ltd., Matt Lloyd Publishing.com Pty Ltd., and Transaction Management USA, Inc.,

Susan Zanghi, individually and as an officer, member and/or manager of MOBE Ltd. and MOBE Processing.com, Inc., and

Russell W. Whitney, Jr., individually and as an officer, member and/or manager of MOBE Ltd.,

Defendants

Case No. 6:18-cv-862-ORL-37DCI

(Filed Feb 3rd, 2019)

DEFENDANT Matthew Lloyd McPhee's ANSWER AND DEFENCES TO PLAINTIFFS' COMPLAINT FOR PERMANENT INJUNTION AND OTHER RELIEF

Defendant Matthew Lloyd McPhee ("Matt Lloyd"), by and through undersigned counsel, hereby files this, his Answer to Plaintiffs' Complaint for Permanent Injunction and other Relief ("Complaint") as follows:

1. Matt Lloyd admits the allegations contained in paragraphs 1, 2, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 24, 25, 39, 50, 53, 56, 58, 59, 66, 73, 74, 75, 78, 81, 83, 92, 97 of the Complaint.

2. Paragraphs 22, 23 & 77 are directed explicitly at defendants other than Matt Lloyd and therefore make allegations to which Matt Lloyd requires no response.

3. Matt Lloyd denies the allegations contained in paragraphs 3, 4, 5, 6, 28, 32, 33, 36, 37, 41, 43, 45, 47, 61, 62, 63, 68, 69, 72, 76, 79, 82, 85, 87, 88, 89, 90, 91, 98 of the Complaint.

4. Matt Lloyd is without sufficient knowledge or information to adequately respond to, and therefore denies, the allegations contained in paragraphs 29, 30, 31, 34, 55, 57, 80, 84, 86, 93, 94, 96 of the Complaint.

5. Concerning paragraph 7 of the Complaint, Matt Lloyd admits to the total amount paid. The remainder of paragraph 7 is denied mainly for the characterisation and language of context.

6. Concerning paragraph 26 of the Complaint, Matt Lloyd admits that a business opportunity was promoted however the remainder of paragraph 26 is denied.

7. With respect to paragraph 27 of the Complaint, Matt Lloyd denies the statement "Defendants claim to have a "simple 21-step" money- making system that will show consumers how to quickly and easily make substantial income", because it was explained clearly in 21 step system as well as in disclaimer that it requires work and effort. It was also demonstrated that student success depends on their efforts. The remainder of paragraph 27 is accepted.

8. Concerning paragraph 35 of the Complaint, Matt Lloyd admits that the 21 step system videos are pre-recorded. The remainder of paragraph 35 is denied due to the mischaracterisation of sales agents as they were coaches who teach useful material to students.

9. Concerning paragraph 38 of the Complaint, Matt Lloyd admits that during the 21 step system program, MOBE offered further educational programs. The remainder of paragraph 38 is denied due to the mischaracterisation of MOBE products as

memberships. MOBE did not offer its programs as memberships, and these programs were educational.

10. Concerning paragraph 40 of the Complaint, Matt Lloyd denies that MOBE programs were progressively tiered in a way that buyers have to pay for the program in full first before they join another coaching program. All of these programs were different programs. Also, there are many other ways to enter these programs rather than paying for them.

11. Concerning paragraph 42 of the Complaint, Matt Lloyd denies the language and characterization of products. The remainder of paragraph 42 regarding MOBE compensation plan is accepted.

12. Matt Lloyd denies due to the characterisation of product. The remainder of paragraph 44 regarding MOBE compensation plan is accepted.

13. Concerning paragraph 46 of the Complaint, Matt Lloyd denies due to the characterisation of consumers as they were only consumers to learn skills and not affiliates.

14. Concerning paragraph 48 of the Complaint, Matt Lloyd denies due to the characterisation of what was said. More information is required.

15. Concerning paragraph 49 of the Complaint, Matt Lloyd denies to the statement that 21 step system was the primary method as there were events that affiliates could promote as an affiliate. Matt Lloyd also denies due to the characterisation of MOBE educational programs as memberships.

16. Concerning paragraph 51 of the Complaint, Matt Lloyd denies due to the characterisation of 21 step system videos as marketing videos. These videos are educational with tons of value given.

17. Concerning paragraph 52 of the Complaint, Matt Lloyd denies the characterisation of business coaches as sales agents.

18. Concerning paragraph 54 of the Complaint, Matt Lloyd denies due to the language and context of the paragraph.

19. Concerning paragraph 60 of the Complaint, Matt Lloyd denies due to the statement that was said: "no work or effort is required to make a sale." It was statements at numerous places along with income disclaimers and agreements that it requires effort and work. Matt Lloyd accepts the remainder of the paragraph about this business model being lucrative.

20. Concerning paragraph 64 of the Complaint, Matt Lloyd denies that the given website was for all MOBE members. Given site was only for MOBE affiliates and not for everyone as many of MOBE members were just consumers of the product.

21. Concerning paragraph 65 of the Complaint, Matt Lloyd denies that the given website was for all MOBE members. Given site was only for MOBE affiliates and not for everyone as many of MOBE members were just consumers of the product.

22. Concerning paragraph 67 of the Complaint, Matt Lloyd denies to the language and also to the mischaracterisation of what was said. MOBE never guaranteed that people with a mental disability could make money with this program. The only thing mentioned was that they would learn how given person in the video did that. This person's name is Paul Holdsworth, and he lives in the UK. This video explains his real story in his words that he wanted to share with people.

23. Concerning paragraph 70 of the Complaint, Matt Lloyd denies that to the characterisation of MOBE products as membership programs. The remainder of the paragraph regarding MOBE properties web destinations is accepted.

24. Concerning paragraph 71 of the Complaint, Matt Lloyd denies to the mischaracterisation of MOBE programs.

25. Concerning paragraph 95 of the Complaint, Matt Lloyd denies to most of the paragraph except the fact that agreements were post-purchase and it was because of the limitation of software used by the company. However, refund policy was clearly explained to the customer before the purchase by their coach.

26. Matt Lloyd is without sufficient knowledge or information to adequately respond to and therefore denies, the allegations contained in paragraphs 99 -108 of the Complaint.

AFFIRMATIVE DEFENSES

Respectfully submitted, this 3rd day of February 2019.

Matthew Lloyd McPhee
workwithmattlloyd@gmail.com